



Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD

[Registration No.: 199601005416 (377762-V)]

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023

**EUPE CORPORATION BERHAD**

[Registration No.: 199601005416 (377762-V)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.08.2023 RM'000	31.08.2022 RM'000	31.08.2023 RM'000	31.08.2022 RM'000
Revenue	73,081	43,413	143,598	75,228
Cost of sales	(54,291)	(31,572)	(105,851)	(54,261)
Gross profit	18,790	11,841	37,747	20,967
Other operating income	867	1,636	1,841	11,859
Marketing and distribution expenses	(2,148)	(1,666)	(3,777)	(3,350)
Administrative expenses	(6,800)	(5,776)	(12,077)	(10,835)
Other operating expenses	(928)	(1,035)	(1,720)	(1,866)
Finance costs	(899)	(511)	(1,838)	(898)
Profit before tax	8,882	4,489	20,176	15,877
Tax expense	(2,655)	(1,463)	(5,401)	(2,407)
Profit/Total comprehensive income for the period	6,227	3,026	14,775	13,470
Profit/Total comprehensive income attributable to:				
Equity holders of the Company	5,327	2,229	12,138	12,587
Non-controlling interests	900	797	2,637	883
	6,227	3,026	14,775	13,470
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	4.16	1.74	9.48	9.83

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2023 and the accompanying explanatory notes attached to these Condensed Reports.

**EUPE CORPORATION BERHAD***[Registration No.: 199601005416 (377762-V)]***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2023**

	AS AT 31.08.2023 RM'000	AS AT 28.02.2023 RM'000	MOVEMENT RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	60,282	57,016	3,266
Right-of-use assets	608	835	(227)
Inventories - land held for property development	283,152	272,890	10,262
Investment properties	40,143	40,143	-
Deferred tax assets	4,207	4,674	(467)
	<u>388,392</u>	<u>375,558</u>	<u>12,834</u>
Current assets			
Inventories - property development costs	126,750	136,196	(9,446)
Inventories - completed properties and others	22,124	26,835	(4,711)
Contract costs	19,069	16,590	2,479
Contract assets	87,332	66,634	20,698
Trade and other receivables	50,515	55,139	(4,624)
Sinking funds	853	687	166
Tax recoverable	134	1,540	(1,406)
Cash and cash equivalents	79,909	87,776	(7,867)
	<u>386,686</u>	<u>391,397</u>	<u>(4,711)</u>
TOTAL ASSETS	<u>775,078</u>	<u>766,955</u>	<u>8,123</u>

**EUPE CORPORATION BERHAD**

[Registration No.: 199601005416 (377762-V)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2023 (CONT'D)**

	AS AT 31.08.2023 RM'000	AS AT 28.02.2023 RM'000	MOVEMENT RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	133,982	133,982	-
Reserves	315,309	305,091	10,218
	<u>449,291</u>	<u>439,073</u>	<u>10,218</u>
Non-controlling interests	15,393	18,880	(3,487)
TOTAL EQUITY	<u>464,684</u>	<u>457,953</u>	<u>6,731</u>
Non-current liabilities			
Long-term borrowings	177,691	175,018	2,673
Lease liabilities	220	278	(58)
Deferred tax liabilities	12,743	13,279	(536)
	<u>190,654</u>	<u>188,575</u>	<u>2,079</u>
Current liabilities			
Contract liabilities	6,360	1,195	5,165
Trade and other payables	77,270	83,648	(6,378)
Provisions	12,440	13,335	(895)
Short-term borrowings	20,349	19,988	361
Lease liabilities	418	592	(174)
Current tax payables	2,903	1,669	1,234
	<u>119,740</u>	<u>120,427</u>	<u>(687)</u>
TOTAL LIABILITIES	<u>310,394</u>	<u>309,002</u>	<u>1,392</u>
TOTAL EQUITY AND LIABILITIES	<u>775,078</u>	<u>766,955</u>	<u>8,123</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>3.51</u>	<u>3.43</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 2023 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 AUGUST 2023**

	← Attributable to equity holders of the Company →					Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000			
At 1 March 2023	133,982	-	305,091	439,073	18,880	457,953	
Profit for the financial period	-	-	12,138	12,138	2,637	14,775	
Dividend payable	-	-	(1,920)	(1,920)	(6,124)	(8,044)	
At 31 August 2023	<u>133,982</u>	<u>-</u>	<u>315,309</u>	<u>449,291</u>	<u>15,393</u>	<u>464,684</u>	
At 1 March 2022	133,982	(206)	281,271	415,047	37,507	452,554	
Profit for the financial period	-	-	12,587	12,587	883	13,470	
Disposal of interests in subsidiaries	-	206	-	206	(18)	188	
At 31 August 2022	<u>133,982</u>	<u>-</u>	<u>293,858</u>	<u>427,840</u>	<u>38,372</u>	<u>466,212</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 2023 and the accompanying explanatory notes attached to these Condensed Reports.

**EUPE CORPORATION BERHAD***[Registration No.: 199601005416 (377762-V)]***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 AUGUST 2023**

	YEAR-TO-DATE ENDED	
	31.08.2023	31.08.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	129,897	99,380
Cash payments to suppliers and creditors	(88,004)	(99,189)
Cash payments to employees and for expenses	(25,588)	(15,794)
Cash generated from/(used in) operations	16,305	(15,603)
Deposit received	42	530
Deposit paid	(60)	(32,123)
Bank overdraft interest paid	-	(89)
Rental income received	404	387
Tax paid	(2,829)	(3,341)
Net cash generated from/(used in) operating activities	13,862	(50,239)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of freehold land	(13,315)	-
Interest income received	927	1,010
Purchase of property, plant and equipment	(550)	(226)
Proceed from disposal of investment properties	-	2,606
Net changes in fixed deposits pledged	562	4,313
Net proceeds from disposal of subsidiaries	-	9,471
Net cash (used in)/generated from investing activities	(12,376)	17,174

**EUPE CORPORATION BERHAD**

[Registration No.: 199601005416 (377762-V)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 AUGUST 2023 (CONT'D)**

	YEAR-TO-DATE ENDED	
	31.08.2023	31.08.2022
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests	(6,124)	-
Drawdown of term loans	36,685	52,604
Repayment of term loans	(41,279)	(4,752)
Drawdown of revolving credits	15,000	11,000
Repayment of revolving credits	(7,200)	(5,000)
Net repayment of hire purchase	(236)	(126)
Net repayment of lease liabilities	(312)	(273)
Bank overdraft interest paid	(101)	-
Term loans interest paid	(4,822)	(1,347)
Revolving credits interest paid	(322)	(777)
Hire purchase interest paid	(13)	(16)
Lease liabilities interest paid	(16)	(26)
Net cash (used in)/generated from financing activities	(8,740)	51,287
Net (decrease)/increase in cash and cash equivalents	(7,254)	18,222
Cash and cash equivalents at beginning of financial year	70,870	81,807
Cash and cash equivalents at end of financial period	<u>63,616</u>	<u>100,029</u>
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	44,511	63,284
Fixed deposits with licensed banks	35,398	50,226
	<u>79,909</u>	<u>113,510</u>
Less: Bank overdraft	(2,442)	(2,587)
Deposits pledged as collateral	(13,851)	(10,894)
	<u>63,616</u>	<u>100,029</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 2023 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 AUGUST 2023**

Part A: Explanatory Notes Pursuant to MFRS 134

A1 Basis of Preparation

The 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 2023. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2023.

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 2023, except for the adoption of new standards and amendments to the MFRSs as disclosed below:

Amendments to MFRSs adopted

For the preparation of the Condensed Report, the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) are mandatory for the first time for the financial year beginning on or after 1 January 2023:

- 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*
- Amendments to MFRS 112 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Amendments to MFRSs effective immediately for financial year ending on or after 30 June 2023

- Amendments to MFRS 112 *Income Taxes – International Tax Reform – Pillar Two Model Rules*

The adoption of the abovementioned amendments to MFRSs has no significant impact on the financial statements of the Group.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A2 Accounting Policies (cont'd)

Amendments to MFRSs not yet effective

The following are amendments to MFRSs that have been issued by the MASB but have not been adopted by the Group:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures – Supplier Finance Arrangements*

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Amendments to MFRSs effective for annual periods beginning on or after a 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*

MFRSs and Amendments to MFRSs not applicable

- MFRS 17 *Insurance Contracts*, Amendments to MFRS 17 *Insurance Contracts*, and Amendment to MFRS 17 *Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 Financial Instruments – Comparative Information* are not expected to be applicable to the Group



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A3 Auditors' Report on Preceding Financial Year Financial Statements

The auditors' report on the financial statements for the financial year ended 28 February 2023 was unmodified.

A4 Seasonal or Cyclical Factors

The results for the financial quarter and year-to-date ended 31 August 2023 were not materially affected by seasonal or cyclical factors, except for the Chalet & 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 flows of the Group during the financial quarter and year-to-date ended 31 August 2023.

A6 Material Changes in Estimates

There were no changes in estimates that have had any material effect during the financial quarter and year-to-date ended 31 August 2023.

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 August 2023.

A8 Dividend Paid

No dividends were paid during the financial quarter and year-to-date ended 31 August 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023****Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)****A9 Segmental Reporting****Financial Year-To-Date Ended 31 August 2023**

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	130,860	32,840	3,111	1,664	168,475
Elimination of inter- segment revenue	(2,575)	(21,952)	(49)	(301)	(24,877)
	<u>128,285</u>	<u>10,888</u>	<u>3,062</u>	<u>1,363</u>	<u>143,598</u>
Segment results	22,824	138	(1,487)	(388)	21,087
Interest income	819	93	13	2	927
Finance costs	(1,586)	(6)	(246)	-	(1,838)
Profit/(Loss) before tax	22,057	225	(1,720)	(386)	20,176
Tax expense	(4,994)	(376)	81	(112)	(5,401)
Profit/(Loss) for the period	<u>17,063</u>	<u>(151)</u>	<u>(1,639)</u>	<u>(498)</u>	<u>14,775</u>

As At 31 August 2023**Assets**

Segment assets	<u>655,646</u>	<u>22,928</u>	<u>51,578</u>	<u>44,926</u>	<u>775,078</u>
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Liabilities

Segment liabilities	83,448	17,205	6,982	4,719	112,354
Borrowings	<u>191,048</u>	<u>47</u>	<u>6,945</u>	<u>-</u>	<u>198,040</u>
	<u>274,496</u>	<u>17,252</u>	<u>13,927</u>	<u>4,719</u>	<u>310,394</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023****Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)****A9 Segmental Reporting (cont'd)****Financial Year-To-Date Ended 31 August 2022**

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	63,677	21,804	3,395	1,640	90,516
Elimination of inter- segment revenue	-	(14,960)	-	(328)	(15,288)
	<u>63,677</u>	<u>6,844</u>	<u>3,395</u>	<u>1,312</u>	<u>75,228</u>
Segment results	8,508	(419)	(1,035)	8,711	15,765
Interest income	959	42	7	2	1,010
Finance costs	(675)	(4)	(219)	-	(898)
Profit/(Loss) before tax	<u>8,792</u>	<u>(381)</u>	<u>(1,247)</u>	<u>8,713</u>	<u>15,877</u>
Tax expense	(2,216)	(32)	-	(159)	(2,407)
Profit/(Loss) for the period	<u>6,576</u>	<u>(413)</u>	<u>(1,247)</u>	<u>8,554</u>	<u>13,470</u>

As At 31 August 2022**Assets**

Segment assets	<u>560,221</u>	<u>26,454</u>	<u>48,918</u>	<u>50,558</u>	<u>686,151</u>
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Liabilities

Segment liabilities	80,262	12,073	6,522	4,573	103,430
Borrowings	<u>108,829</u>	<u>124</u>	<u>7,556</u>	<u>-</u>	<u>116,509</u>
	<u>189,091</u>	<u>12,197</u>	<u>14,078</u>	<u>4,573</u>	<u>219,939</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 change in the fair value of the investment properties since the financial year ended 28 February 2023.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A12 Significant Event Subsequent to the Reporting Period

There was no significant event which has arisen since 28 February 2023 up to the date of this report, which would substantially affect the financial results of the Group for the financial quarter and year-to-date ended 31 August 2023.

A13 Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial quarter and year-to-date ended 31 August 2023.

A14 Contingent Liabilities and Assets

The contingent liabilities of the Group for the financial quarter and year-to-date ended 31 August 2023 amounted to RM7.4 million representing claims for liquidated ascertained damages in respect of one of the residential projects undertaken by the Group, should the claims be successful.

As at the date of this report, the proceedings in respect of these claims are still on-going and accordingly, no provision for any liability has been made in the financial statements.

A15 Capital Commitments

	31.08.2023	28.02.2023
	RM'000	RM'000
Approved and contracted for:		
- Development lands acquired and Purchase Agreement	-	13,315

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023****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		
	31.08.2023 Q2FY2024	31.08.2022 Q2FY2023	CHANGES	31.08.2023 6MFY2024	31.08.2022 6MFY2023	CHANGES
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	65,456	36,874	28,582	128,285	63,677	64,608
Property Construction	5,410	4,115	1,295	10,888	6,844	4,044
Chalet & Golf Management	1,523	1,789	(266)	3,062	3,395	(333)
Others	692	635	57	1,363	1,312	51
Total	73,081	43,413	29,668	143,598	75,228	68,370

Pre-tax Profit/(Loss)	Quarter Ended			Year-To-Date Ended		
	31.08.2023 Q2FY2024	31.08.2022 Q2FY2023	CHANGES	31.08.2023 6MFY2024	31.08.2022 6MFY2023	CHANGES
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	10,057	5,456	4,601	22,057	8,792	13,265
Property Construction	21	(75)	96	225	(381)	606
Chalet & Golf Management	(899)	(622)	(277)	(1,720)	(1,247)	(473)
Others	(297)	(270)	(27)	(386)	8,713	(9,099)
Total	8,882	4,489	4,393	20,176	15,877	4,299

Q2FY2024 vs Q2FY2023

The Group's recorded a significant increase in total revenue for the financial quarter ended 31 August 2023 ("Q2FY2024") of RM29.7 million or 68.4% to RM73.1 million, compared to RM43.4 million in corresponding financial quarter ("Q2FY2023"). This translated into a higher total pre-tax profit of RM8.9 million in Q2FY2024, an increase of RM4.4 million or 97.8% from RM4.5 million in Q2FY2023.

6MFY2024 vs 6MFY2023

Similar to the quarterly results reported above, the Group posted higher revenue and pre-tax profit of RM143.6 million and RM20.2 million respectively for the six-month period ended 31 August 2023 ("6MFY2024"). This represented an increase in revenue of RM68.4 million or 91.0% and an increase in pre-tax profit of RM4.3 million or 27.0% compared to the corresponding financial period ("6MFY2023").

The increase in the Group's revenue and pre-tax profit was mainly attributed to the strong sales take-up rate and progressive site works from on-going and newly-launched projects in both Central and Northern Regions of Property Development Division.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

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

B1 Review of Performance (cont'd)

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

Property Development Division ("PDD")

PDD, as the largest contributor of the Group's revenue and profit, reported significant increase in revenue of RM28.6 million or 77.5% to RM65.5 million in Q2FY2024 from RM36.9 million in Q2FY2023.

For PDD's Central Region, revenue increased by RM15.5 million, mainly due to the contribution by the Group's third Kuala Lumpur ("KL") high-rise residential project, namely **Est8@Seputeh** and its fourth KL project – **Helix2@PJ South**, both of which have achieved strong sales rates as well as good construction progress.

For PDD's Northern Region, revenue increased by RM13.1 million, primarily contributed by strong sales take-up rate and site progress at multiple project phases at **Bandar Seri Astana Jaya** and **Villa Natura**. During the current financial quarter, the Group successfully launched a further stage of **Villa Natura**, an affordable housing project aimed at younger market segment.

PDD's revenue outcome translated into a pre-tax profit of RM10.1 million in Q2FY2024, an increase of RM4.6 million or 83.6%, compared to RM5.5 million in Q2FY2023.

Overall, PDD's revenue increased to RM128.3 million in 6MFY2024, compared to RM63.7 million in 6MFY2023, a significant improvement of RM64.6 million or 101.4%. In line with this higher revenue outcome, the Group registered a higher pre-tax profit of RM22.1 million in 6MFY2024, an increase of RM13.3 million or 151.1% from RM8.8 million recorded for 6MFY2023.

Property Construction Division ("PCD")

PCD's revenue is solely derived from the supply of building materials to subcontractors.

PCD recorded higher revenue of RM5.4 million in Q2FY2024, and RM10.9 million in 6MFY2024, an increase of RM1.3 million or 31.7% and RM4.0 million or 58.0% respectively, compared to the corresponding financial period.

These improvements were driven by higher demand for building materials for the on-going project as well as new project construction activities, namely **Bandar Seri Astana Jaya** and **Villa Natura**.

Correspondingly, PCD recorded a pre-tax profit of RM0.1 million in Q2FY2024 and RM0.2 million in 6MFY2024, compared to the pre-tax loss reported in last financial period.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

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

B1 Review of Performance (cont'd)

Chalet & Golf Management Division (“CGMD”)

CGMD’s revenue decreased by RM0.3 million or 16.7% to RM1.5 million in Q2FY2024, compared to revenue of RM1.8 million recorded in Q2FY2023. Similarly, CGMD recorded lower revenue in 6MFY2024 of RM3.1 million, RM0.3 million or 8.8% less compared to RM3.4 million in 6MFY2023.

As a result, CGMD reported a higher pre-tax loss of RM0.9 million in Q2FY2024 and RM1.7 million in 6MFY2024, compared to Q2FY2023 and 6MFY2023 respectively.

Lower financial performance was mainly due to lower room occupancy, banquet events and golfing activities at **Cinta Sayang Resort** due to ongoing challenges of increased competition and rising costs.

Others

The Others’ division revenue represents rental from the Group’s investment properties. Total revenue increased by RM0.1 million for both the Q2FY2024 and 6MFY2024 periods.

The division’s pre-tax loss of RM0.3 million for Q2FY2024 was comparable to Q2FY2023. For the 6MFY2024, the Group reported a comparable decrease in pre-tax profit of RM9.1 million, due to one-off gains from the disposal of the Group’s Australian-based subsidiaries in the 6MFY2023 period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023****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		
	31.08.2023 Q2FY2024	31.05.2023 Q1FY2024	CHANGES
	RM'000	RM'000	RM'000
Revenue	73,081	70,517	2,564
Pre-tax profit	8,882	11,294	(2,412)

Revenue increased marginally quarter-over-quarter by RM2.6 million or 3.7% to RM73.1 million as compared to the immediate preceding quarter ("Q1FY2024") of RM70.5 million. This increase was mainly derived from PDD, in particular the launch of new phase of township development project under **Villa Natura** in Northern Region.

Despite the increase in revenue, the Group registered a lower pre-tax profit of RM8.9 million in Q2FY2024, a decrease of RM2.4 million or 21.2% from RM11.3 million in Q1FY2024. The decrease was mainly due to higher sales and marketing expenses incurred for on-going projects and new launches.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

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

B3 Prospects

Malaysia's property outlook remains positive with latest figures showing increases in sales volume and value. This is in line with the overall economic outlook with Malaysia which continues to demonstrate a rebound in domestic demand as well as improving labour conditions. Inflation pressures as well as higher borrowing costs remain headwinds and may serve to moderate demand, but at the same time, economic growth appears resilient as the business and consumer environment continues to stabilise.

However, increasing geopolitical factors continue to contribute uncertainty to the overall macro picture, particularly in view of risks emerging in some segments of global and regional financial markets.

In view of this, the Group will continue to monitor closely both the timing and pricing strategies of project launches as well as buyer sentiment as we continue to develop project rollout plans in both Central and Northern Regions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023****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 Ended		Year-To-Date Ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	RM'000	RM'000	RM'000	RM'000
Current year taxation	2,574	760	5,469	1,311
Deferred taxation	81	703	(68)	1,096
	<u>2,655</u>	<u>1,463</u>	<u>5,401</u>	<u>2,407</u>

The effective tax rate of the Group for the financial quarter and year-to-date ended 31 August 2023 is higher than the statutory tax rate in Malaysia was due to certain non-tax deductible expenses and losses in certain subsidiaries which are not available to set off against taxable profits of other subsidiaries.

B6 Profit Before Tax

The following amounts have been included in arriving at Profit Before Tax:

	Quarter Ended		Year-To-Date Ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	RM'000	RM'000	RM'000	RM'000
Interest income	434	460	927	1,010
Gain on disposal of a subsidiary	-	-	-	9,223
Gain on disposal of an investment property	-	49	-	49
Gain on disposal of property, plant and equipment	1	42	2	50
Other income	432	1,085	912	1,527
Interest expense	(899)	(511)	(1,838)	(898)
Depreciation and amortisation	(830)	(842)	(1,621)	(1,666)
Fixed assets written off	-	-	-	(2)
Loss on disposal of a subsidiary	-	-	-	(2)
Loss on disposal of an investment property	-	(194)	-	(194)
Loss on disposal of property, plant and equipment	(98)	-	(99)	-
	<u>(98)</u>	<u>-</u>	<u>(99)</u>	<u>-</u>

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 AUGUST 2023****Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)****B8 Group Borrowings and Debt Securities**

Total Group borrowings and debt securities as at 31 August 2023 were as follows:

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Term loans	177,384	3,992	181,376
Revolving credits	-	13,800	13,800
Bank overdrafts	-	2,442	2,442
Hire purchase liabilities	307	115	422
	<u>177,691</u>	<u>20,349</u>	<u>198,040</u>

B9 Changes in Material Litigation

Save as disclosed in Note A14, there was no other material litigation against the Group as at the reporting date.

B10 Dividend

On 27 July 2023, the Board of Directors has approved and declared an interim single tier dividend of 1.5 sen (6MFY2023 - 1.8 sen) per ordinary share amounting to approximately RM1.9 million in respect of the financial year ending 29 February 2024. The interim dividend was paid on 13 September 2023 to shareholders whose names appear on the Company's Record of Depositors on 29 August 2023.

B11 Earnings Per Share

The earnings per share ("EPS") have been calculated by dividing the Group's net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue, as follows:

	Quarter Ended		Year-To-Date Ended	
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	<u>5,327</u>	<u>2,229</u>	<u>12,138</u>	<u>12,587</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>4.16</u>	<u>1.74</u>	<u>9.48</u>	<u>9.83</u>



EUPE CORPORATION BERHAD

[Registration No.: 199601005416 (377762-V)]

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2023**

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

B12 Authorised for Issue

The Condensed Consolidated Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 October 2023.