



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 30 NOVEMBER 2023



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2023**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	89,301	47,965	232,899	123,193
Cost of sales	(66,317)	(35,156)	(172,168)	(89,417)
Gross profit	22,984	12,809	60,731	33,776
Other operating income	968	792	2,809	12,651
Marketing and distribution expenses	(1,585)	(1,618)	(5,362)	(4,968)
Administrative expenses	(5,522)	(5,013)	(17,599)	(15,848)
Other operating expenses	(857)	(794)	(2,577)	(2,660)
Finance costs	(736)	(811)	(2,574)	(1,709)
Profit before tax	15,252	5,365	35,428	21,242
Tax expense	(4,844)	(2,081)	(10,245)	(4,488)
Profit/Total comprehensive income for the period	10,408	3,284	25,183	16,754
Profit/Total comprehensive income attributable to:				
Equity holders of the Company	8,722	2,260	20,860	14,847
Non-controlling interests	1,686	1,024	4,323	1,907
	10,408	3,284	25,183	16,754
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	6.81	1.77	16.30	11.60

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 FINANCIAL POSITION
AS AT 30 NOVEMBER 2023**

	AS AT 30.11.2023 RM'000	AS AT 28.02.2023 RM'000	MOVEMENT RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	60,723	57,016	3,707
Right-of-use assets	444	835	(391)
Inventories - land held for property development	284,378	272,890	11,488
Investment properties	40,654	40,143	511
Deferred tax assets	3,365	4,674	(1,309)
	<u>389,564</u>	<u>375,558</u>	<u>14,006</u>
Current assets			
Inventories - property development costs	114,863	136,196	(21,333)
Inventories - completed properties and others	16,643	26,835	(10,192)
Contract costs	19,007	16,590	2,417
Contract assets	116,510	66,634	49,876
Trade and other receivables	57,242	55,139	2,103
Sinking funds	858	687	171
Tax recoverable	425	1,540	(1,115)
Cash and cash equivalents	73,322	87,776	(14,454)
	<u>398,870</u>	<u>391,397</u>	<u>7,473</u>
TOTAL ASSETS	<u>788,434</u>	<u>766,955</u>	<u>21,479</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2023 (CONT'D)**

	AS AT 30.11.2023 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	324,031	305,091	18,940
	<u>458,013</u>	<u>439,073</u>	<u>18,940</u>
Non-controlling interests	15,278	18,880	(3,602)
TOTAL EQUITY	<u>473,291</u>	<u>457,953</u>	<u>15,338</u>
Non-current liabilities			
Long-term borrowings	179,601	175,018	4,583
Lease liabilities	220	278	(58)
Deferred tax liabilities	13,525	13,279	246
	<u>193,346</u>	<u>188,575</u>	<u>4,771</u>
Current liabilities			
Contract liabilities	5,856	1,195	4,661
Trade and other payables	79,438	83,648	(4,210)
Provisions	12,209	13,335	(1,126)
Short-term borrowings	19,681	19,988	(307)
Lease liabilities	249	592	(343)
Current tax payables	4,364	1,669	2,695
	<u>121,797</u>	<u>120,427</u>	<u>1,370</u>
TOTAL LIABILITIES	<u>315,143</u>	<u>309,002</u>	<u>6,141</u>
TOTAL EQUITY AND LIABILITIES	<u>788,434</u>	<u>766,955</u>	<u>21,479</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>3.58</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 30 NOVEMBER 2023**

	← Attributable to equity holders of the Company →					
	Non-distributable Foreign currency		Distributable		Non - controlling	
	Share capital	translation reserve	Retained earnings	Total	interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 March 2023	133,982	-	305,091	439,073	18,880	457,953
Profit for the financial period	-	-	20,860	20,860	4,323	25,183
Dividend paid	-	-	(1,920)	(1,920)	(7,925)	(9,845)
At 30 November 2023	<u>133,982</u>	<u>-</u>	<u>324,031</u>	<u>458,013</u>	<u>15,278</u>	<u>473,291</u>
At 1 March 2022	133,982	(206)	281,271	415,047	37,507	452,554
Profit for the financial period	-	-	14,847	14,847	1,907	16,754
Disposal of interests in subsidiaries	-	206	-	206	(18)	188
Dividend paid	-	-	(2,304)	(2,304)	(20,776)	(23,080)
At 30 November 2022	<u>133,982</u>	<u>-</u>	<u>293,814</u>	<u>427,796</u>	<u>18,620</u>	<u>446,416</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 CASH FLOW
FOR THE FINANCIAL YEAR-TO-DATE ENDED 30 NOVEMBER 2023**

	YEAR-TO-DATE ENDED	
	30.11.2023	30.11.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	182,936	167,329
Cash payments to suppliers and creditors	(129,929)	(258,746)
Cash payments to employees and for expenses	(34,964)	(22,370)
Cash generated from/(used in) operations	18,043	(113,787)
Deposit received	49	516
Deposit paid	(172)	(2,918)
Bank overdraft interest paid	-	(136)
Rental income received	602	614
Tax refunded	1	-
Tax paid	(4,881)	(5,358)
Net cash generated from/(used in) operating activities	13,642	(121,069)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of freehold land	(13,315)	-
Interest income received	1,336	1,347
Purchase of property, plant and equipment	(1,627)	(693)
Proceed from disposal of investment properties	-	2,606
Proceed from disposal of property, plant and equipment	-	122
Purchase of investment property	(510)	-
Net changes in fixed deposits pledged	282	4,212
Net proceeds from disposal of subsidiaries	-	9,471
Net cash (used in)/generated from investing activities	(13,834)	17,065



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR-TO-DATE ENDED 30 NOVEMBER 2023 (CONT'D)**

	YEAR-TO-DATE ENDED	
	30.11.2023 RM'000	30.11.2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(1,920)	-
Dividend paid to non-controlling interests	(7,925)	(15,000)
Drawdown of term loans	54,583	155,041
Repayment of term loans	(58,340)	(25,269)
Drawdown of revolving credits	14,000	11,000
Repayment of revolving credits	(6,350)	(5,000)
Drawdown of hire purchase loan	811	-
Repayment of hire purchase loan	(313)	(33)
Net repayment of lease liabilities	(481)	(414)
Bank overdraft interest paid	(151)	-
Term loans interest paid	(7,070)	(2,090)
Revolving credits interest paid	(548)	(777)
Bankers' acceptance interest paid	-	(2)
Hire purchase interest paid	(23)	(23)
Lease liabilities interest paid	(23)	(37)
Net cash (used in)/generated from financing activities	(13,750)	117,396
Net (decrease)/increase in cash and cash equivalents	(13,942)	13,392
Cash and cash equivalents at beginning of financial year	70,870	81,807
Cash and cash equivalents at end of financial period	56,928	95,199
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	40,090	48,150
Fixed deposits with licensed banks	33,232	61,741
	73,322	109,891
Less: Bank overdraft	(2,263)	(3,697)
Deposits pledged as collateral	(14,131)	(10,995)
	56,928	95,199

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 30 NOVEMBER 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 30 NOVEMBER 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 30 NOVEMBER 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 30 November 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 30 November 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 30 November 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 30 November 2023.

A8 Dividend Paid

On 27 July 2023, the Board of Directors has approved and declared an interim single tier dividend of 1.5 sen per ordinary share in respect of the financial year ending 29 February 2024 amounting to approximately RM1.9 million and was paid on 13 September 2023.



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2023**

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

A9 Segmental Reporting

Financial Year-To-Date Ended 30 November 2023

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	212,081	47,036	4,526	4,103	267,746
Elimination of inter- segment revenue	(2,575)	(30,153)	(70)	(2,049)	(34,847)
	<u>209,506</u>	<u>16,883</u>	<u>4,456</u>	<u>2,054</u>	<u>232,899</u>
Segment results	39,361	272	(2,285)	(682)	36,666
Interest income	1,113	201	20	2	1,336
Finance costs	(2,195)	(13)	(366)	-	(2,574)
Profit/(Loss) before tax	<u>38,279</u>	<u>460</u>	<u>(2,631)</u>	<u>(680)</u>	<u>35,428</u>
Tax expense	(9,518)	(690)	122	(159)	(10,245)
Profit/(Loss) for the period	<u>28,761</u>	<u>(230)</u>	<u>(2,509)</u>	<u>(839)</u>	<u>25,183</u>

As At 30 November 2023

Assets

Segment assets	<u>662,503</u>	<u>28,790</u>	<u>51,343</u>	<u>45,798</u>	<u>788,434</u>
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Liabilities

Segment liabilities	88,196	18,161	6,739	2,765	115,861
Borrowings	<u>192,530</u>	<u>104</u>	<u>6,648</u>	<u>-</u>	<u>199,282</u>
	<u>280,726</u>	<u>18,265</u>	<u>13,387</u>	<u>2,765</u>	<u>315,143</u>



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2023**

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

A9 Segmental Reporting (cont'd)

Financial Year-To-Date Ended 30 November 2022

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	105,429	31,480	4,881	2,452	144,242
Elimination of inter-segment revenue	-	(20,558)	-	(491)	(21,049)
	105,429	10,922	4,881	1,961	123,193
Segment results	15,208	(338)	(1,730)	8,464	21,604
Interest income	1,286	47	12	2	1,347
Finance costs	(1,365)	(7)	(337)	-	(1,709)
Profit/(Loss) before tax	15,129	(298)	(2,055)	8,466	21,242
Tax expense	(3,928)	(511)	122	(171)	(4,488)
Profit/(Loss) for the period	11,201	(809)	(1,933)	8,295	16,754

As At 30 November 2022

Assets					
Segment assets	642,966	32,366	48,555	50,630	774,517
Liabilities					
Segment liabilities	98,871	16,019	6,729	6,850	128,469
Borrowings	191,980	163	7,489	-	199,632
	290,851	16,182	14,218	6,850	328,101

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 30 NOVEMBER 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 30 November 2023.

A13 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the financial quarter and year-to-date ended 30 November 2023 except for the Company's wholly-owned subsidiary, Eupe Kemajuan Sdn. Bhd., acquired 100% equity stake in Unik Prestasi Sdn. Bhd. ("UPSB") for total cash consideration of RM1 on 12 September 2023. The principal activity of UPSB is to carry on the business of property management.

A14 Contingent Liabilities and Assets

The contingent liabilities of the Group for the financial quarter and year-to-date ended 30 November 2023 amounted to RM11.0 million which are composed of the following:

- i. 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; and
- ii. RM3.6 million claim for additional professional fees by an architect in respect of one of the landed residential projects undertaken by the Group.

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

	30.11.2023	28.02.2023
	RM'000	RM'000
Approved and contracted for:		
- Development lands acquired and Purchase Agreement	-	13,315
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 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		
	30.11.2023 Q3FY2024	30.11.2022 Q3FY2023	CHANGES	30.11.2023 9MFY2024	30.11.2022 9MFY2023	CHANGES
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	81,221	41,752	39,469	209,506	105,429	104,077
Property Construction	5,995	4,078	1,917	16,883	10,922	5,961
Chalet & Golf Management	1,394	1,486	(92)	4,456	4,881	(425)
Others	691	649	42	2,054	1,961	93
Total	89,301	47,965	41,336	232,899	123,193	109,706

Pre-tax Profit/(Loss)	Quarter Ended			Year-To-Date Ended		
	30.11.2023 Q3FY2024	30.11.2022 Q3FY2023	CHANGES	30.11.2023 9MFY2024	30.11.2022 9MFY2023	CHANGES
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	16,222	6,337	9,885	38,279	15,129	23,150
Property Construction	235	83	152	460	(298)	758
Chalet & Golf Management	(911)	(808)	(103)	(2,631)	(2,055)	(576)
Others	(294)	(247)	(47)	(680)	8,466	(9,146)
Total	15,252	5,365	9,887	35,428	21,242	14,186

Q3FY2024 vs Q3FY2023

The Group's recorded a significant increase in total revenue for the financial quarter ended 30 November 2023 ("Q3FY2024") of RM41.3 million or 86.0% to RM89.3 million, compared to RM48.0 million in corresponding financial quarter ("Q3FY2023"). This translated into a higher total pre-tax profit of RM15.3 million in Q3FY2024, an increase of RM9.9 million or 183.3% from RM5.4 million in Q3FY2023.

9MFY2024 vs 9MFY2023

Similar to the quarterly results reported above, the Group posted higher revenue and pre-tax profit of RM232.9 million and RM35.4 million respectively for the nine-month period ended 30 November 2023 ("9MFY2024"). This represented an increase in revenue of RM109.7 million or 89.0% and an increase in pre-tax profit of RM14.2 million or 67.0% compared to the corresponding financial period ("9MFY2023").

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 30 NOVEMBER 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 RM39.5 million or 94.5% to RM81.2 million in Q3FY2024 from RM41.8 million in Q3FY2023.

For PDD's Central Region, revenue increased by RM12.9 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 RM26.6 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 RM16.2 million in Q3FY2024, an increase of RM9.9 million or 157.1%, compared to RM6.3 million in Q3FY2023.

Overall, PDD's revenue increased to RM209.5 million in 9MFY2024, compared to RM105.4 million in 9MFY2023, a significant improvement of RM104.1 million or 98.8%. In line with this higher revenue outcome, the Group registered a higher pre-tax profit of RM38.3 million in 9MFY2024, an increase of RM23.2 million or 153.6% from RM15.1 million recorded for 9MFY2023.

Property Construction Division ("PCD")

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

PCD recorded higher revenue of RM6.0 million in Q3FY2024, and RM16.9 million in 9MFY2024, an increase of RM1.9 million or 47.5% and RM6.0 million or 55.0% 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 RM0.2 million in Q3FY2024 and RM0.5 million in 9MFY2024.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 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 RM0.1 million or 6.7% to RM1.4 million in Q3FY2024, compared to revenue of RM1.5 million recorded in Q3FY2023. Similarly, CGMD recorded lower revenue in 9MFY2024 of RM4.5 million, RM0.4 million or 8.2% less compared to RM4.9 million in 9MFY2023.

As a result, CGMD reported a higher pre-tax loss of RM0.9 million in Q3FY2024 and RM2.6 million in 9MFY2024, compared to Q3FY2023 and 9MFY2023 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 Q3FY2024 and 9MFY2024 periods.

The division's pre-tax loss of RM0.3 million for Q3FY2024 compared to pre-tax loss of RM0.2m for Q3FY2023. For the 9MFY2024, the Group reported a 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 9MFY2023 period.



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 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		
	30.11.2023 Q3FY2024	31.08.2023 Q2FY2024	CHANGES
	RM'000	RM'000	RM'000
Revenue	89,301	73,081	16,220
Pre-tax profit	15,252	8,882	6,370

The Group's revenue increased significantly by RM16.2 million or 22.2% to RM89.3 million in Q3FY2024, compared to RM73.1 million in the immediate preceding quarter ended 31 August 2023 ("Q2FY2024"). The quarter-over-quarter increase was mainly driven by higher sales take-up rates and site progress of PDD's Central Region – **Est8** and **Helix2**, coupled with higher contribution from **Villa Natura** project, with phase 3 launched in October 2023 in Northern Region.

The pre-tax profit increased by RM6.4 million or 71.9% to RM15.3 million in Q3FY2024, compared to RM8.9 million in Q2FY2024. The higher percentage increase in the pre-tax profit is partly due to lower administrative expenses.

B3 Prospects

The property sector's outlook remains well-anchored in ongoing improvement in Malaysia's broader economic environment. Inflation continues to moderate and the economy continues to rack on growth path of around 4 per cent for 2024, largely due to a continuing strengthening of domestic demand. These positive trends are occurring despite the ongoing headwinds of global uncertainty and point to the economy's underlying resilience.

These factors are reflected in the property sector where sentiment continues to strengthen around expectations of increasing real estate prices and a run down in property inventory. As we have noted previously, designing and marketing residential products of sufficient design and lifestyle difference in an increasingly discerning market focused on both value for money and quality is a key consideration for property developers. The Group remains strongly committed to this approach, as evidenced by the strong take-up of its existing projects, as well as planning for its upcoming launches.



**NOTES TO THE FINANCIAL STATEMENTS
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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	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
	RM'000	RM'000	RM'000	RM'000
Current year taxation	3,221	1,146	8,690	2,457
Deferred taxation	1,623	935	1,555	2,031
	<u>4,844</u>	<u>2,081</u>	<u>10,245</u>	<u>4,488</u>

The effective tax rate of the Group for the financial quarter and year-to-date ended 30 November 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	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
	RM'000	RM'000	RM'000	RM'000
Interest income	409	337	1,336	1,347
Gain on disposal of a subsidiary	-	-	-	9,223
Gain on disposal of an investment property	-	-	-	49
Gain on disposal of property, plant and equipment	57	-	59	50
Other income	502	455	1,414	1,982
Interest expense	(736)	(811)	(2,574)	(1,709)
Depreciation and amortisation	(856)	(794)	(2,477)	(2,460)
Fixed assets written off	-	-	-	(2)
Loss on disposal of a subsidiary	-	-	-	(2)
Loss on disposal of an investment property	-	-	-	(194)
Loss on disposal of property, plant and equipment	-	-	(99)	-
	<u>-</u>	<u>-</u>	<u>(99)</u>	<u>-</u>



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2023**

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

B7 Status of Corporate Proposal

There are no other corporate proposals announced but pending completion as at the date of this report save for the following:

As announced on 26 October 2023, the Company had proposed to undertake the following:

- (i) To undertake a private placement of up to 19,200,000 of new ordinary shares in the Company ("Placement Shares"), representing 15% of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company ("Private Placement");
- (ii) Establishment of a long-term incentive plan of up to 15% of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the proposed long term incentive plan for the eligible directors (including non-executive directors) and employees of the Group (excluding dormant subsidiaries, if any) ("LTIP").

On 24 November 2023, Bursa Securities had vide its letter dated 23 November 2023, approved the listing and quotation for the Private Placement and LTIP, subject to the conditions as listed in the announcement.

The Private Placement and LTIP were approved by the shareholders at the Extraordinary General Meeting held on 22 December 2023.

As of 24 January 2024, the Company has yet to issue any Placement Shares pursuant to the Private Placement.

B8 Group Borrowings and Debt Securities

Total Group borrowings and debt securities as at 30 November 2023 were as follows:

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Term loans	178,538	3,675	182,213
Revolving credits	-	13,650	13,650
Bank overdrafts	-	2,263	2,263
Hire purchase liabilities	1,063	93	1,156
	<u>179,601</u>	<u>19,681</u>	<u>199,282</u>



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2023**

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

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 (9MFY2023 - 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	
	30.11.2023	30.11.2022	30.11.2023	30.11.2022
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	8,722	2,260	20,860	14,847
Weighted average number of ordinary shares ('000)	128,000	128,000	128,000	128,000
Basic earnings per share (sen)	6.81	1.77	16.30	11.60

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 24 January 2024.