



Building Lifestyles, Building Trust

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2021



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

	Quarter Ended		Year-To-Date Ended	
	31.08.2021 RM'000	31.08.2020 RM'000 Restated	31.08.2021 RM'000	31.08.2020 RM'000 Restated
Revenue	33,157	121,460	87,060	151,868
Cost of sales	(22,060)	(81,324)	(60,923)	(103,103)
Gross profit	11,097	40,136	26,137	48,765
Other operating income	526	474	1,470	952
Marketing and distribution expenses	(1,594)	(1,060)	(2,976)	(1,703)
Administrative expenses	(3,892)	(5,168)	(7,503)	(8,404)
Other operating expenses	(927)	(818)	(1,737)	(1,689)
Finance costs	(578)	(780)	(1,183)	(1,648)
Profit before tax	4,632	32,784	14,208	36,273
Tax expense	(1,710)	(7,975)	(4,346)	(9,660)
Profit for the period	2,922	24,809	9,862	26,613
Other comprehensive income				
Foreign currency translation differences for foreign operation	3	92	3	205
Total comprehensive income for the period	2,925	24,901	9,865	26,818
Profit attributable to:				
Equity holders of the Company	2,687	16,780	7,878	17,107
Non-controlling interests	235	8,029	1,984	9,506
	2,922	24,809	9,862	26,613
Total comprehensive income attributable to:				
Equity holders of the Company	2,689	16,875	7,880	17,312
Non-controlling interest	236	8,026	1,985	9,506
	2,925	24,901	9,865	26,818
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	2.10	13.11	6.15	13.36

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



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021**

	AS AT 31.08.2021 RM'000	AS AT 28.02.2021 RM'000 RESTATED	AS AT 01.03.2020 RM'000 RESTATED
ASSETS			
Non-current assets			
Property, plant and equipment	59,884	61,179	64,924
Right-of-use assets	49	238	617
Inventories	215,412	204,002	188,193
Investment properties	46,328	46,328	45,751
Deferred tax assets	4,986	5,204	3,363
	<u>326,659</u>	<u>316,951</u>	<u>302,848</u>
Current assets			
Inventories	88,561	96,215	113,524
Contract costs	555	1,557	6,085
Contract assets	96,970	72,002	167,424
Trade and other receivables	57,501	54,639	78,173
Sinking funds	819	837	802
Tax recoverable	542	303	2,271
Cash and cash equivalents	45,698	77,368	36,668
	<u>290,646</u>	<u>302,921</u>	<u>404,947</u>
TOTAL ASSETS	<u>617,305</u>	<u>619,872</u>	<u>707,795</u>



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021 (CONT'D)**

	AS AT 31.08.2021 RM'000	AS AT 28.02.2021 RM'000 RESTATED	AS AT 01.03.2020 RM'000 RESTATED
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	133,982	133,982	133,982
Reserves	267,411	259,534	216,085
	<u>401,393</u>	<u>393,516</u>	<u>350,067</u>
Non-controlling interest	44,434	42,446	72,467
TOTAL EQUITY	<u>445,827</u>	<u>435,962</u>	<u>422,534</u>
Non-current liabilities			
Borrowings	68,094	57,546	95,243
Lease liabilities	-	-	252
Deferred tax liabilities	12,000	12,464	13,867
	<u>80,094</u>	<u>70,010</u>	<u>109,362</u>
Current liabilities			
Contract liabilities	5,591	5,257	12,880
Trade and other payables	54,401	67,469	67,334
Provisions	9,368	9,599	11,613
Borrowings	18,271	23,955	80,094
Lease liabilities	52	252	383
Current tax payables	3,701	7,368	3,595
	<u>91,384</u>	<u>113,900</u>	<u>175,899</u>
TOTAL LIABILITIES	<u>171,478</u>	<u>183,910</u>	<u>285,261</u>
TOTAL EQUITY AND LIABILITIES	<u>617,305</u>	<u>619,872</u>	<u>707,795</u>
<i>Number of ordinary shares ('000)</i>	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>3.14</u>	<u>3.07</u>	<u>2.73</u>

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



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

	← Attributable to equity holders of the Company →					Total equity RM'000
	Share capital RM'000	Non-distributable Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non - controlling interests RM'000	
At 1 March 2021	133,982	(208)	260,741	394,515	42,875	437,390
Effects on adoption of IFRIC Agenda Decision	-	-	(999)	(999)	(429)	(1,428)
At 1 March 2021 (restated)	133,982	(208)	259,742	393,516	42,446	435,962
Profit for the financial period	-	-	7,878	7,878	1,984	9,862
Other comprehensive income	-	2	-	2	1	3
Total comprehensive income	-	2	7,878	7,880	1,985	9,865
Change in interest in a subsidiary	-	-	(3)	(3)	3	-
At 31 August 2021	133,982	(206)	267,617	401,393	44,434	445,827
At 1 March 2020	133,982	(209)	218,552	352,325	73,435	425,760
Effects on adoption of IFRIC Agenda Decision	-	-	(2,258)	(2,258)	(968)	(3,226)
At 1 March 2020 (restated)	133,982	(209)	216,294	350,067	72,467	422,534
Profit for the financial period	-	-	17,107	17,107	9,506	26,613
Other comprehensive income	-	205	-	205	-	205
Total comprehensive income	-	205	17,107	17,312	9,506	26,818
At 31 August 2020 (restated)	133,982	(4)	233,401	367,379	81,973	449,352

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



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 AUGUST 2021**

	Year-To-Date Ended	
	31.08.2021	31.08.2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	64,393	236,718
Cash payments to suppliers and creditors	(67,610)	(74,320)
Cash payments to employees and for expenses	(27,391)	(20,582)
Cash (used in)/generated from operations	<u>(30,608)</u>	<u>141,816</u>
Bank overdraft interest paid	(84)	(93)
Rental income received	425	241
Tax refund	1,156	920
Tax paid	(5,562)	(3,094)
Net cash (used in)/generated from operating activities	<u>(34,673)</u>	<u>139,790</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	368	311
Purchase of investment property	-	(323)
Purchase of property, plant and equipment	(151)	(1,037)
Fixed deposits pledged to licensed bank	(4,430)	(884)
Net cash used in investing activities	(4,213)	(1,933)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 AUGUST 2021 (CONT'D)**

	Year-To-Date Ended	
	31.08.2021	31.08.2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	13,031	40,993
Repayment of term loans	(5,085)	(105,524)
Drawdown of revolving credits	6,030	6,184
Repayment of revolving credits	(4,065)	(1,579)
Net repayment of bankers' acceptance	(1,613)	(235)
Net (repayment)/creation of invoice financing	(3,232)	1,393
Net (repayment)/creation of hire purchase liabilities	(120)	423
Net repayment of lease liabilities	(199)	(169)
Term loans interest paid	(1,833)	(1,603)
Revolving credit interest paid	(11)	(287)
Bankers' acceptance interest paid	-	(17)
Invoice financing interest paid	(11)	(31)
Hire purchase interest paid	(22)	(17)
Lease liabilities interest paid	(5)	(15)
Net cash generated from/(used in) financing activities	2,865	(60,484)
Net (decrease)/increase in cash and cash equivalents	(36,021)	77,373
Effect of exchange rate changes	3	205
Cash and cash equivalents at beginning of financial year	59,902	28,191
Cash and cash equivalents at end of financial period	23,884	105,769
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	25,922	108,054
Fixed deposits with licensed banks	19,776	7,047
	45,698	115,101
Less: Bank overdraft	(2,358)	(2,489)
Deposits pledged as collateral	(19,456)	(6,843)
	23,884	105,769

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



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 2021
Part A: Explanatory Notes Pursuant to MFRS 134**

A1 Basis of Preparation

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

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 28 February 2021. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2021.

A2 Accounting Policies

The accounting policies adopted in preparing this Condensed Report are consistent with those used in the audited financial statements for the financial year ended 28 February 2021, except for the adoption of new standards and amendments to standards and interpretation as follows:

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

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

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

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

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

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



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

A2 Accounting Policies (cont'd)

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

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

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

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

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

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

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

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

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

MFRSs, Amendments to MFRSs and Interpretations effective date yet to be confirmed

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



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

A2 Accounting Policies (cont'd)

IFRIC Agenda Decision

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

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

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

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



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

A2 Accounting Policies (cont'd)

IFRIC Agenda Decision (cont'd)

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

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



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

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

A6 Material Changes in Estimates

There were no changes in estimates that have had any material effect during the financial quarter and year-to-date ended 31 August 2021.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter and year-to-date ended 31 August 2021.

A8 Dividend Paid

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

A9 Segmental Reporting

Financial Year-To-Date Ended 31 August 2021

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	79,950	25,069	2,260	1,647	108,926
Elimination of inter- segment revenue	-	(21,402)	(139)	(325)	(21,866)
	<u>79,950</u>	<u>3,667</u>	<u>2,121</u>	<u>1,322</u>	<u>87,060</u>
Segment Results	17,200	(436)	(1,288)	(454)	15,022
Interest income	342	13	11	3	369
Finance costs	(938)	(25)	(219)	(1)	(1,183)
Profit/(loss) before tax	<u>16,604</u>	<u>(448)</u>	<u>(1,496)</u>	<u>(452)</u>	<u>14,208</u>
Tax expense	(3,914)	(251)	-	(181)	(4,346)
Profit/(loss) for the period	<u>12,690</u>	<u>(699)</u>	<u>(1,496)</u>	<u>(633)</u>	<u>9,862</u>

As At 31 August 2021

Assets

Segment assets	<u>497,216</u>	<u>18,351</u>	<u>50,285</u>	<u>51,453</u>	<u>617,305</u>
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Liabilities

Segment liabilities	66,062	8,768	6,562	3,721	85,113
Borrowings	74,196	4,376	7,793	-	86,365
	<u>140,258</u>	<u>13,144</u>	<u>14,355</u>	<u>3,721</u>	<u>171,478</u>



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

A9 Segmental Reporting (cont'd)

Financial Year-To-Date Ended 31 August 2020 (Restated)

	Property Development RM'000 Restated	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000 Restated
Revenue	145,121	16,892	1,875	1,360	165,248
Elimination of inter- segment revenue	-	(13,142)	-	(238)	(13,380)
	<u>145,121</u>	<u>3,750</u>	<u>1,875</u>	<u>1,122</u>	<u>151,868</u>
Segment Results	39,191	(58)	(1,441)	(82)	37,610
Interest income	285	3	22	1	311
Finance costs	(1,132)	(213)	(227)	(76)	(1,648)
Profit/(loss) before tax	38,344	(268)	(1,646)	(157)	36,273
Tax expense	(9,502)	-	-	(158)	(9,660)
Profit/(loss) for the period	<u>28,842</u>	<u>(268)</u>	<u>(1,646)</u>	<u>(315)</u>	<u>26,613</u>

As At 31 August 2020 (Restated)

Assets					
Segment assets	571,946	20,270	54,183	45,841	692,240
	<u>571,946</u>	<u>20,270</u>	<u>54,183</u>	<u>45,841</u>	<u>692,240</u>
Liabilities					
Segment liabilities	103,569	11,067	7,387	3,901	125,924
Borrowings	79,469	30,380	7,114	-	116,963
	<u>183,038</u>	<u>41,447</u>	<u>14,501</u>	<u>3,901</u>	<u>242,887</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 2021.



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

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

A12 Significant Event Subsequent to the Reporting Period

There were no significant events subsequent to the financial quarter and year-to-date ended 31 August 2021 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A13 Changes in Composition of the Group

There were no material changes in the composition of the Group for the current quarter and year-to-date except for the following:

- i) On 1 March 2021, the Company had undertaken internal restructuring whereby Eupe Kemajuan Sdn. Bhd. ("EKSB"), a wholly-owned subsidiary of the Company, disposed off 3,000 ordinary shares, representing 30% of the equity interest in Titian Kayangan Sdn. Bhd. (formerly known as Tadika Pro-Dedikasi Sdn. Bhd.), a dormant Company for a total cash consideration of RM2.00.
- ii) On 27 September 2021, the Company's wholly-owned subsidiary, EKSB, incorporated a wholly-owned subsidiary in Malaysia with cash subscription of RM100.00, namely Eupe Land Development Sdn. Bhd.. The principal activity of the subsidiary is to carry on the business of property development.
- iii) On 28 September 2021, the Company's wholly-owned subsidiary, EKSB, incorporated a 70% owned subsidiary in Malaysia with cash subscription of RM70.00, namely Titian Development Sdn. Bhd.. The principal activity of the subsidiary is to carry on the business of property development.

A14 Contingent Liabilities and Assets

There were no other contingent liabilities and contingent assets since the financial year ended 28 February 2021 except as disclosed below:

	31.08.2021	28.02.2021
	RM'000	RM'000
<u>Company</u>		
Guarantees given for banking facilities		
granted to subsidiaries	112,052	107,101
Guarantees given to suppliers of a subsidiary	-	263
	<u>112,052</u>	<u>107,364</u>

A15 Capital commitments

There were no capital commitments during the period under review.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 AUGUST 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		
	31.08.2021	31.08.2020	Changes	31.08.2021	31.08.2020	Changes
	RM'000	RM'000 Restated	RM'000	RM'000	RM'000 Restated	RM'000
Property Development	30,771	116,758	(85,987)	79,950	145,121	(65,171)
Property Construction	925	2,908	(1,983)	3,667	3,750	(83)
Chalet & Golf Management	797	1,244	(447)	2,121	1,875	246
Others	664	550	114	1,322	1,122	200
Total	33,157	121,460	(88,303)	87,060	151,868	(64,808)

Pre-tax Profit/(Loss)	Quarter Ended			Year-To-Date Ended		
	31.08.2021	31.08.2020	Changes	31.08.2021	31.08.2020	Changes
	RM'000	RM'000 Restated	RM'000	RM'000	RM'000 Restated	RM'000
Property Development	6,154	33,416	(27,262)	16,604	38,344	(21,740)
Property Construction	(281)	(39)	(242)	(448)	(268)	(180)
Chalet & Golf Management	(823)	(428)	(395)	(1,496)	(1,646)	150
Others	(418)	(165)	(253)	(452)	(157)	(295)
Total	4,632	32,784	(28,152)	14,208	36,273	(22,065)

Overview

The Group recorded lower revenue totalling RM33.2 million for the quarter ended 31 August 2021 (“Q2FY2022”), compared to RM121.5 million recorded for the preceding year’s corresponding quarter (“Q2FY2021”). The Group’s pre-tax profit also decreased by RM28.2 million, or 85.9%, from RM32.8 million in Q2FY2021 to RM4.6 million in Q2FY2022.

Similarly, the Group’s revenue and pre-tax profit for the six-month period ended 31 August 2021 (“6MFY2022”) of RM87.1 million and RM14.2 million, were both lower by RM64.8 million and RM22.1 million respectively, compared to revenue of RM151.9 million and pre-tax profit of RM36.3 million recorded for the previous year’s corresponding period ended 31 August 2020 (“6MFY2021”).

The overall decrease in the Group’s financial performance was due to the fall in revenue from Central Region operations as Parc3@KL South project (“Parc3”) is entering into the final construction phase and is scheduled for vacant possession in the 4th Quarter of 2021, combined with no further revenue contributions from its first KL project, Novum@South Bangsar (“Novum”) which was handed over to its purchasers in June 2020 (“Q2FY2021”).

The revenue decline for this quarter was exacerbated by weak performance of its property development, construction and resort operations which was dragged by the enforcement of the Government’s Movement Control Order (“MCO”) 3.0 where it has negatively impacted its operations.



NOTES TO THE FINANCIAL STATEMENTS

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

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")

The PDD's revenue for Q2FY2022 of RM30.8 million, represented a decrease of RM86.0 million or 73.6% lower than Q2FY2021 revenue of RM116.8 million. This was primarily due to the aforementioned delivery of vacant possession for Novum in June 2020, and Parc3's slowdown in construction progress as the project nears completion. The Northern Region operations also reported a slight decrease of RM3.8 million revenue, as compared to Q2FY2021, largely due to the completion of one of the phases of township development in Sungai Petani, Kedah - Astana Parkhome B.

In line with the decrease in revenue, the PDD's pre-tax profit decreased by RM27.3 million from RM33.4 million in Q2FY2021, to RM6.1 million in Q2FY2022.

PDD recorded total revenue for 6MFY2022 of RM79.9 million, a decrease of RM65.2 million or 44.9% compared to 6MFY2021 revenue of RM145.1 million. Despite PDD's Central Region recording lower revenue for 6MFY2022, stronger sales take-up rates of various newly launched township residential projects in Northern Region, namely Astana Parkhome B PTD12, Puncak Surya 6 and Padang Serai Ria Heights moderated these impacts. The decrease in PDD's pre-tax profit for 6MFY2022, was consistent with the decrease in revenue.

Property Construction Division ("PCD")

Revenue from PCD is mainly derived from the supply of building materials to subcontractors. PCD recorded revenue for Q2FY2022 of RM0.9 million, compared to Q2FY2021 revenue of RM2.9 million, a decrease of RM2.0 million, or 68.9%. This decrease was primarily due to the implementation of MCO 3.0 from 1 June 2021, resulting in disruption to all construction site activities and hence, lowering demand for building materials. This compared to the preceding year's corresponding quarter, Q2FY2021 when it was under Recovery MCO, construction sites were allowed to operate.

Despite reporting lower revenue for Q2FY2022, the PCD's pre-tax loss was higher by only RM0.2 million compared to Q2FY2021, the result of lower overhead costs incurred during MCO 3.0.

PCD's revenue and pre-tax loss for 6MFY2022 were both comparable with 6MFY2021.



NOTES TO THE FINANCIAL STATEMENTS

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

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 (cont'd):

Chalet & Golf Management Division ("CGMD")

CGMD recorded total revenue of RM0.8 million in Q2FY2022, a decrease of RM0.4 million, or 33.3%, compared to Q2FY2021 revenue of RM1.2 million. The decrease in CGMD's revenue resulted in a pre-tax loss of RM0.8 million in Q2FY2022, compared to RM0.4 million in Q2FY2021. This increase in pre-tax loss was due to the temporary closure of Cinta Sayang Resort and its golf course operations during MCO 3.0.

Both the CGMD's revenue and pre-tax loss for 6MFY2022 reported marginal improvement of RM0.2 million, as compared to 6MFY2021.

Others

The Others Division revenue represents rental from investment properties as well as sale of bird nest. Both the revenue and pre-tax loss for the Division were comparable between the reporting periods.

B2 Material Changes in the Quarterly Results

	Quarter Ended		
	31.08.2021 RM'000	31.05.2021 RM'000	Changes RM'000
Revenue	33,157	53,903	(20,746)
Pre-tax profit	4,632	9,576	(4,944)

The Group's revenue and pre-tax profit for Q2FY2022 decreased by RM20.7 million and RM4.9 million respectively, compared to the immediate preceding quarter ("Q1FY2022"). The decrease in current quarter's financial performance was mainly due to lower contribution from PDD and PCD, accounting for approximately 95.6% of the Group's total revenue in Q2FY2022, as a result of slower construction work progress for Parc3 in Q2FY2022 against Q1FY2022, as the project nears completion. The implementation of MCO 3.0 from 1 June 2021, has also negatively affected the business activities of building materials for PCD, for almost the entire Q2FY2022.



NOTES TO THE FINANCIAL STATEMENTS

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

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

B3 Prospects

COVID-19 and continuing economic uncertainty resulting from it, continues to have a major impact on consumer confidence and business activity. However, as the vaccine rollout program continues to make significant inroads, the current and following quarters should result in further easing of curbs on movement and activity, ahead of a comprehensive reopening by the end of the year. This, combined with an expected rebound in global demand, should help to lift consumer confidence during the next quarter and beyond.

The Group plans to take advantage of this improved sentiment with the launch of its third KL project – Est8@Seputeh - in the next quarter. There has been encouraging buyer interest in the project and we expect that interest to translate into solid take-up rates when the project is formally launched.

The management recognises the fact that COVID-19 is an unexpected event that we, like other businesses, had no prior experience in handling. We vow to do our utmost to minimise the disruption to our business, both in the short and medium term. We are pleased to report that the progress of our projects, as well as potential sales, have been in line with our forecasts and trends. We are quite certain, other than some short-term fluctuations in our financial numbers, the resilience of the Group, as well as its prospects, are going to be satisfactory over the medium term.



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

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

B4 Profit Forecast

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

B5 Taxation

	Quarter Ended		Year-To-Date Ended	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Current year taxation	1,947	13,173	4,592	15,020
Deferred taxation	(237)	(5,198)	(246)	(5,360)
	<u>1,710</u>	<u>7,975</u>	<u>4,346</u>	<u>9,660</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	
	31.08.2021	31.08.2020	31.08.2021	31.08.2020
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	136	150	369	311
Other income	390	324	1,101	641
Interest expense	(578)	(780)	(1,183)	(1,648)
Depreciation and amortisation	(825)	(811)	(1,650)	(1,687)
Gain on disposal of property, plant and equipment	-	-	15	-
Bad debts written off	(102)	-	(102)	-
Fixed assets written off	-	-	-	-
Foreign exchange loss	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</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 2021

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

B8 Group Borrowings and Debt Securities

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

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Term loans	67,331	11,610	78,941
Revolving credits	-	4,180	4,180
Bank overdrafts	-	2,358	2,358
Hire purchase liabilities	763	123	886
	<u>68,094</u>	<u>18,271</u>	<u>86,365</u>

B9 Changes in Material Litigation

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

B10 Interim Dividend

The Board of Directors has approved and declared an interim single tier dividend of 1.5 sen per ordinary share amounting to approximately RM1.9 million in respect of the financial year ending 28 February 2022. The interim dividend will be paid on 8 December 2021 to Shareholders whose names appear on the Company's Record of Depositors on 24 November 2021.

B11 Earnings Per Share

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

	Quarter Ended		Year-To-Date Ended	
	31.08.2021	31.08.2020 Restated	31.08.2021	31.08.2020 Restated
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	<u>2,687</u>	<u>16,780</u>	<u>7,878</u>	<u>17,107</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>2.10</u>	<u>13.11</u>	<u>6.15</u>	<u>13.36</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 October 2021.