



Building Lifestyles, Building Trust

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022**

	Quarter Ended		Year Ended	
	28.02.2022 RM'000	28.02.2021 RM'000 Restated	28.02.2022 RM'000	28.02.2021 RM'000 Restated
Revenue	77,504	71,407	223,168	304,025
Cost of sales	(58,837)	(45,586)	(157,325)	(193,415)
Gross profit	18,667	25,821	65,843	110,610
Other operating income	642	1,193	2,695	3,337
Marketing and distribution expenses	(1,493)	(1,085)	(6,251)	(3,703)
Administrative expenses	(5,210)	(4,492)	(16,287)	(16,647)
Other operating expenses	(1,052)	(2,971)	(3,710)	(5,538)
Finance costs	(697)	(580)	(2,569)	(2,866)
Profit before tax	10,857	17,886	39,721	85,193
Tax expense	(2,570)	(4,231)	(10,557)	(22,018)
Profit for the period/year	8,287	13,655	29,164	63,175
Other comprehensive income				
Foreign currency translation differences for foreign operation	-	(1)	3	2
Total comprehensive income for the period/year	8,287	13,654	29,167	63,177
Profit attributable to:				
Equity holders of the Company	7,137	11,232	23,446	43,448
Non-controlling interests	1,150	2,423	5,718	19,727
	8,287	13,655	29,164	63,175
Total comprehensive income attributable to:				
Equity holders of the Company	7,137	11,231	23,448	43,449
Non-controlling interest	1,150	2,423	5,719	19,728
	8,287	13,654	29,167	63,177
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	5.58	8.78	18.32	33.94

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 FINANCIAL POSITION
AS AT 28 FEBRUARY 2022**

	AS AT 28.02.2022 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	58,770	61,179	64,924
Right-of-use assets	1,408	238	617
Inventories - land held for property development	141,782	204,002	188,193
Investment properties	44,020	46,328	45,751
Deferred tax assets	3,540	5,204	3,363
	<u>249,520</u>	<u>316,951</u>	<u>302,848</u>
Current assets			
Inventories - property development costs	91,035	64,137	95,052
Inventories - completed properties and others	30,900	32,078	18,472
Contract costs	6,682	1,557	6,085
Contract assets	21,269	72,002	167,424
Trade and other receivables	110,466	54,639	78,173
Sinking funds	674	837	802
Tax recoverable	585	303	2,271
Cash and cash equivalents	99,565	77,368	36,668
	<u>361,176</u>	<u>302,921</u>	<u>404,947</u>
TOTAL ASSETS	<u>610,696</u>	<u>619,872</u>	<u>707,795</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022 (CONT'D)**

	AS AT 28.02.2022 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	281,065	259,534	216,085
	<u>415,047</u>	<u>393,516</u>	<u>350,067</u>
Non-controlling interest	37,507	42,446	72,467
TOTAL EQUITY	<u>452,554</u>	<u>435,962</u>	<u>422,534</u>
Non-current liabilities			
Borrowings	45,730	57,546	95,243
Lease liabilities	869	-	252
Deferred tax liabilities	12,143	12,464	13,867
	<u>58,742</u>	<u>70,010</u>	<u>109,362</u>
Current liabilities			
Contract liabilities	1,047	5,257	12,880
Trade and other payables	67,464	67,469	67,334
Provisions	10,917	9,599	11,613
Borrowings	17,016	23,955	80,094
Lease liabilities	559	252	383
Current tax payables	2,397	7,368	3,595
	<u>99,400</u>	<u>113,900</u>	<u>175,899</u>
TOTAL LIABILITIES	<u>158,142</u>	<u>183,910</u>	<u>285,261</u>
TOTAL EQUITY AND LIABILITIES	<u>610,696</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>3.24</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 ENDED 28 FEBRUARY 2022**

	← 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 year	-	-	23,446	23,446	5,718	29,164
Other comprehensive income	-	2	-	2	1	3
Total comprehensive income	-	2	23,446	23,448	5,719	29,167
Change in interest in a subsidiary	-	-	3	3	(3)	-
Dividend paid	-	-	(1,920)	(1,920)	(10,655)	(12,575)
At 28 February 2022	133,982	(206)	281,271	415,047	37,507	452,554
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 year	-	-	43,448	43,448	19,727	63,175
Other comprehensive income	-	1	-	1	1	2
Total comprehensive income	-	1	43,448	43,449	19,728	63,177
Dividend paid	-	-	-	-	(49,749)	(49,749)
At 28 February 2021 (restated)	133,982	(208)	259,742	393,516	42,446	435,962

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 ENDED 28 FEBRUARY 2022**

	Year Ended	
	28.02.2022	28.02.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	222,002	398,293
Cash payments to suppliers and creditors	(128,842)	(182,215)
Cash payments to employees and for expenses	(22,168)	(9,902)
Cash generated from operations	70,992	206,176
Bank overdraft interest paid	(170)	(181)
Rental income received	901	473
Tax refund	216	1,985
Tax paid	(14,683)	(21,507)
Net cash generated from operating activities	57,256	186,946
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	679	1,694
Proceed from disposal of investment properties	2,072	-
Purchase of property, plant and equipment	(391)	(1,097)
Purchase of right-of-use assets	(1,677)	-
Fixed deposits pledged to licensed bank	(181)	(9,067)
Net cash generated from/(used in) investing activities	502	(8,470)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2022 (CONT'D)**

	Year Ended	
	28.02.2022 RM'000	28.02.2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(1,920)	-
Dividend paid to non-controlling interests	(10,655)	(49,749)
Drawdown of term loans	22,859	25,993
Repayment of term loans	(34,422)	(76,568)
Drawdown of revolving credits	40,460	9,980
Repayment of revolving credits	(42,675)	(56,275)
Net (repayment)/creation of bankers' acceptance	(1,613)	472
Net (repayment)/creation of invoice financing	(3,232)	2,288
Net (repayment)/creation of hire purchase liabilities	(243)	351
Net creation/(repayment) of lease liabilities	1,176	(383)
Term loans interest paid	(4,469)	(2,134)
Revolving credit interest paid	(1,031)	(510)
Bankers' acceptance interest paid	-	(41)
Invoice financing interest paid	(11)	(122)
Hire purchase interest paid	(41)	(42)
Lease liabilities interest paid	(39)	(27)
Net cash used in financing activities	(35,856)	(146,767)
Net increase in cash and cash equivalents	21,902	31,709
Effect of exchange rate changes	3	2
Cash and cash equivalents at beginning of financial year	59,902	28,191
Cash and cash equivalents at end of financial year	81,807	59,902
Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	37,937	62,011
Fixed deposits with licensed banks	61,628	15,357
	99,565	77,368
Less: Bank overdraft	(2,551)	(2,440)
Deposits pledged as collateral	(15,207)	(15,026)
	81,807	59,902

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 ENDED 28 FEBRUARY 2022
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:

MFRSs, Amendments to MFRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the MFRS framework issued by the MASB are mandatory for the first time for the financial year 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*

During the financial year, the Group and the Company have early adopted Amendment to MFRS 16 *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*.

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



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022
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

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the MASB but have not been adopted by the Group and the Company:

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

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 ENDED 28 FEBRUARY 2022
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 - property development costs	99,297	(4,245)	95,052
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 ENDED 28 FEBRUARY 2022
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 - property development costs	66,016	(1,879)	64,137
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 ENDED 28 FEBRUARY 2022
 Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)**

A2 Accounting Policies (cont'd)

IFRIC Agenda Decision (cont'd)

iii) Impact on Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 12 months period ended 28 February 2021:

	As previously reported 28.2.2021 RM'000	Effect on adoption of IFRIC Agenda Decision RM'000	Restated as at 28.2.2021 RM'000
Cost of sales	(197,365)	3,950	(193,415)
Finance costs	(1,282)	(1,584)	(2,866)
Tax expense	(21,450)	(568)	(22,018)
Profit attributable to:			
Equity holders of the Company	42,189	1,259	43,448
Non-controlling interest	19,188	539	19,727
Total comprehensive income attributable to:			
Equity holders of the Company	42,190	1,259	43,449
Non-controlling interest	19,189	539	19,728
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	32.96	0.98	33.94

A3 Auditors' Report on Preceding Financial Year Financial Statements

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

A4 Seasonal or Cyclical Factors

The results for the financial quarter and year ended 28 February 2022 were not materially affected by seasonal or cyclical factors, except for the Chalet and Golf Management Division which normally peaks during major festive seasons and holidays.

A5 Unusual Items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, net income or cash flows of the Group during the financial quarter and year ended 28 February 2022.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022**

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 ended 28 February 2022.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter and year ended 28 February 2022.

A8 Dividend Paid

On 22 October 2021, the Board has declared an interim single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 28 February 2022 amounting to approximately RM1.9 million and was paid on 8 December 2021.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A9 Segmental Reporting

Financial Year Ended 28 February 2022

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	207,203	47,546	5,043	4,599	264,391
Elimination of inter- segment revenue	-	(39,145)	-	(2,078)	(41,223)
	<u>207,203</u>	<u>8,401</u>	<u>5,043</u>	<u>2,521</u>	<u>223,168</u>
Segment Results	45,602	(1,174)	(2,262)	(555)	41,611
Interest income	621	22	31	5	679
Finance costs	(2,104)	(30)	(432)	(3)	(2,569)
Profit/(loss) before tax	44,119	(1,182)	(2,663)	(553)	39,721
Tax expense	(10,111)	-	337	(783)	(10,557)
Profit/(loss) for the year	<u>34,008</u>	<u>(1,182)</u>	<u>(2,326)</u>	<u>(1,336)</u>	<u>29,164</u>

As At 28 February 2022

Assets

Segment assets	<u>486,494</u>	<u>23,260</u>	<u>49,561</u>	<u>51,381</u>	<u>610,696</u>
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Liabilities

Segment liabilities	75,693	9,210	6,484	4,009	95,396
Borrowings	54,899	161	7,686	-	62,746
	<u>130,592</u>	<u>9,371</u>	<u>14,170</u>	<u>4,009</u>	<u>158,142</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

A9 Segmental Reporting (cont'd)

Financial Year Ended 28 February 2021 (Restated)

	Property Development RM'000 Restated	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000 Restated
Revenue	295,694	47,905	4,130	3,245	350,974
Elimination of inter- segment revenue	(6,425)	(39,695)	-	(829)	(46,949)
	<u>289,269</u>	<u>8,210</u>	<u>4,130</u>	<u>2,416</u>	<u>304,025</u>
Segment Results	91,771	(144)	(4,872)	(390)	86,365
Interest income	630	22	33	1,009	1,694
Finance costs	(1,889)	(434)	(436)	(107)	(2,866)
Profit/(loss) before tax	90,512	(556)	(5,275)	512	85,193
Tax expense	(21,695)	-	67	(390)	(22,018)
Profit/(loss) for the year	<u>68,817</u>	<u>(556)</u>	<u>(5,208)</u>	<u>122</u>	<u>63,175</u>

As At 28 February 2021 (Restated)

Assets					
Segment assets	495,740	21,320	51,547	51,265	619,872
Liabilities					
Segment liabilities	80,371	10,534	7,681	3,823	102,409
Borrowings	66,104	7,291	8,106	-	81,501
	<u>146,475</u>	<u>17,825</u>	<u>15,787</u>	<u>3,823</u>	<u>183,910</u>

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.



NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022
Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)

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.

A12 Significant Event Subsequent to the Reporting Period

There were no significant events subsequent to the financial quarter and year ended 28 February 2022 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 ended 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.
- ii) On 27 September 2021, the Company's wholly-owned subsidiary, EKSB, incorporated a wholly-owned subsidiary in Malaysia with cash subscription of RM100, 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, namely Titian Development Sdn. Bhd.. The principal activity of the subsidiary is to carry on the business of property development.
- iv) On 10 December 2021, the Company's wholly-owned subsidiary, EKSB, incorporated a wholly-owned subsidiary in Malaysia with cash subscription of RM100, namely Eupe Nexus Sdn. Bhd.. The principal activity of the subsidiary is to carry on the business of property development.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022**

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

A14 Contingent Liabilities and Assets

There were no other contingent liabilities and contingent assets since the financial year ended 28 February 2022 except as disclosed below:

	28.02.2022	28.02.2021
	RM'000	RM'000
<u>Company</u>		
Guarantees given for banking facilities		
granted to subsidiaries	95,303	107,101
Guarantees given to suppliers of a subsidiary	237	263
	<u>95,540</u>	<u>107,364</u>

A15 Capital Commitments

Capital commitment not provided for in the financial year ended 28 February 2022 is as follows:-

	28.02.2022	28.02.2021
	RM'000	RM'000
Approved and contracted for:		
- Development land acquired under a Sale and Purchase Agreement	36,000	-
	<u>36,000</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2022

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

B1 Review of Performance

Revenue	Quarter Ended			Year Ended		
	28.02.2022	28.02.2021	Changes	28.02.2022	28.02.2021	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	72,961	67,377	5,584	207,203	289,269	(82,066)
Property Construction	2,340	2,140	200	8,401	8,210	191
Chalet & Golf Management	1,568	1,281	287	5,043	4,130	913
Others	635	609	26	2,521	2,416	105
Total	77,504	71,407	6,097	223,168	304,025	(80,857)

Pre-tax Profit/(Loss)	Quarter Ended			Year Ended		
	28.02.2022	28.02.2021	Changes	28.02.2022	28.02.2021	Changes
	RM'000	RM'000 Restated	RM'000	RM'000	RM'000 Restated	RM'000
Property Development	11,849	21,122	(9,273)	44,119	90,512	(46,393)
Property Construction	(305)	(207)	(98)	(1,182)	(556)	(626)
Chalet & Golf Management	(624)	(2,987)	2,363	(2,663)	(5,275)	2,612
Others	(63)	(42)	(21)	(553)	512	(1,065)
Total	10,857	17,886	(7,029)	39,721	85,193	(45,472)

Overview: Q4FY2022 vs Q4FY2021

The Group recorded higher revenue totalling RM77.5 million for the quarter ended 28 February 2022 (“Q4FY2022”), compared to RM71.4 million recorded for the corresponding quarter a year ago (“Q4FY2021”). Despite that, the Group’s pre-tax profit decreased by RM7.0 million, from RM17.9 million in Q4FY2021 to RM10.9 million in Q4FY2022.

The increase in the revenue for the current quarter was mainly attributable to the launch of the Group’s third KL project, Est8@Seputeh (“Est8”) in November 2021, which contributed RM9.2 million of revenue for Q4FY2022. The Group’s second KL project, Parc3@KL South (“Parc3”), was completed in December 2021, contributing to an increase of revenue due to the project’s higher sales rate compared to Q4FY2021.



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

B1 Review of Performance (cont'd)

Overview: FY2022 vs FY2021

The Group's revenue and pre-tax profit for the financial year ended 28 February 2022 ("FY2022") of RM223.2 million and RM39.7 million, were both lower by RM80.8 million and RM45.5 million respectively, compared to revenue of RM304.0 million and pre-tax profit of RM85.2 million achieved in the previous financial year ended 28 February 2021 ("FY2021").

The overall decrease in the Group's financial performance was mainly due to the delay in launching of Est8 as a result of the prolonged Covid-19 pandemic. Furthermore, Parc3 recorded lower revenue as the project approached completion stage during the financial year under review, with vacant possession taking place from December 2021. The decrease in both revenue and pre-tax profit compared to the previous year was also attributable to the completion and vacant possession of the Group's first KL project, Novum@South Bangsar ("Novum") in June 2020 ("Q2FY2021").

The decrease in revenue and pre-tax profit in FY2022 was partially offset by the revenue contributed from Est8 as well as higher revenue recorded by increased sales from the Northern Region's township development projects.

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

Property Development Division ("PDD")

The PDD's overall revenue increased by RM5.6 million or 8.3%, from RM67.4 million in Q4FY2021 to RM73.0 million in Q4FY2022. Again, this was primarily due to the aforementioned higher sales rate achieved for Parc3 in Q4FY2022, compared to the corresponding period last year, as well as the launch of Est8 in November 2021.

The increase in Central Region's revenue was offset by a lower revenue contribution from the Group's Northern Region's PDD in the current quarter. This was mainly due to the completion of several of the Group's Northern Region projects which were handed over to buyers in Q4FY2021.

Despite higher revenue in the current quarter, the PDD's pre-tax profit decreased by RM9.3 million, from RM21.1 million in Q4FY2021 to RM11.8 million in Q4FY2022 mainly due to the finalisation of Parc3's construction costs upon the project's completion which resulted in higher cost of sales and ultimately the drop in PDD's pre-tax profit.

PDD's revenue for FY2022 of RM207.2 million, was 28.4% lower than FY2021's revenue of RM289.3 million, a decrease of RM82.1 million. The decrease was mainly due to lower revenue contribution from Parc3 due to its completion and vacant possession in December 2021 as well as the absence of revenue from Novum, which was handed over to purchasers in June 2020.



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

B1 Review of Performance (cont'd)

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

Overall for the full financial year, stronger sales take-up rates of completed properties and also for newly-launched township residential projects in Northern Region, namely Astana Park Home A (Phase 13 to Phase 16), Cinta Sayang Resort Villas (Phase 4) and Bandar Seri Astana B2 (Phase 2) moderated the impact of the lower revenue contribution from PDD's Central Region for FY2022.

Correspondingly, the PDD's pre-tax profit decreased by RM46.4 million from RM90.5 million in FY2021 to RM44.1 million in FY2022, due to Parc3's construction costs at project completion, and higher sales and marketing expenses to coincide with the launch of Est8 in November 2021.

Property Construction Division (“PCD”)

Revenue from PCD is solely derived from the supply of building materials to subcontractors.

PCD's revenue for Q4FY2022 of RM2.3 million and FY2022 of RM8.4 million were both comparable to the previous quarter and financial year respectively.

PCD's pre-tax loss decreased marginally to RM0.3 million in Q4FY2022. The Division's full year pre-tax loss increased by RM0.6 million as compared to FY2021, due to the rising cost of building materials.

Chalet & Golf Management Division (“CGMD”)

CGMD recorded revenue of RM1.6 million in Q4FY2022 and RM5.0 million in FY2022, an increase of RM0.3 million and RM0.9 million as compared to Q4FY2021's revenue of RM1.3 million and FY2022's revenue of RM4.1 million. The improved performances were mainly attributed to the higher room occupancy of the Cinta Sayang Resort and the F&B operations as compared to Q4FY2021 and FY2021 when CGMD operations were restricted by the Government's Movement Control Order.

CGMD's pre-tax loss of RM0.6 million in Q4FY2022 and RM2.7 million in FY2022, decreased by RM2.4 million and RM2.6 million, compared to Q4FY2021 and FY2021. The decrease in pre-tax loss was mainly due to the recognition in the previous financial year of a one-off impairment of RM2.1 million on The Carnivall water park, as well as the impacts of on-going cost rationalisation program in response to the pandemic.



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

B1 Review of Performance (cont'd)

Others

The Others Division revenue represents rental from investment properties. Both Q4FY2022 and FY2022 revenue were comparable to the previous reporting periods.

The Division's pre-tax loss for Q4FY2022 was comparable to that recorded for Q4FY2021. The Division recorded a pre-tax loss of RM0.6 million in FY2022, compared to a pre-tax profit in FY2021 of RM0.5 million. The decrease was attributed to lower interest income and higher administrative costs during the financial year under review.

B2 Material Changes in the Quarterly Results

	Quarter Ended		
	28.02.2022 RM'000	30.11.2021 RM'000	Changes RM'000
Revenue	77,504	58,604	18,900
Pre-tax profit	10,857	14,656	(3,799)

The Group's revenue for Q4FY2022 improved by RM18.9 million, compared to the immediate preceding quarter ("Q3FY2022"). The increase in the current quarter's revenue was mainly due to the higher sales achieved for Parc3 project, compared to the corresponding period last financial year, as well as proceeds from the launch of Est8 in November 2021.

Despite this increase in revenue, pre-tax profit for Q4FY2022 was RM3.8 million lower compared to Q3FY2022. This was mainly due to higher cost of sales incurred as a result of the finalisation of Parc3's construction costs upon its completion in December 2021.



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

B3 Prospects

On 1 April 2022, Malaysia has begun its transition to endemic phase with the reopening of international borders. While this measure is welcome and likely to stimulate economic activity in the shorter term, other challenges are beginning to emerge that are likely see a continuation of subdued consumer and market sentiment for the foreseeable future. Of note are rising inflationary pressures, largely the result of the prolonged disruption related to Covid-19 and more recently due to events in eastern Europe which are resulting in increases in global energy prices.

We note that forecast growth for the Malaysian economy is expected to continue gradually over the course of this financial year, however we believe that the road to recovery – in light of growing inflationary pressures – will continue to be fragile and bumpy across different sectors. Consumers are likely to remain cautious in terms of investment and spending which will mean ongoing headwinds for the property sector in particular.

Given the uncertain nature of economic recovery over the next quarter and beyond, we remain committed to sharpening our focus on the Group's competitive differences to meet underlying consumer demand for affordable and innovative homes. We are pleased to note that buyers' response to Est8@Seputeh, our third KL project which was launched in November 2021, continues to be encouraging with buyers responding strongly to the project's clear points of design differentiation and competitive pricing. Despite all the challenges that are emerging our team has proved in recent years that it is capable of responding in innovative and effective ways to both tackling and rising above market uncertainties. We are confident the team will display similar qualities in the period ahead.



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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 Ended	
	28.02.2022	28.02.2021	28.02.2022	28.02.2021
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Current year taxation	3,674	2,940	9,214	25,262
Deferred taxation	(1,104)	1,291	1,343	(3,244)
	<u>2,570</u>	<u>4,231</u>	<u>10,557</u>	<u>22,018</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:

Profit Before Taxation

	Quarter Ended		Year Ended	
	28.02.2022	28.02.2021	28.02.2022	28.02.2021
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Interest income	162	645	679	1,694
Other income	480	548	2,016	1,643
Interest expense	(697)	(580)	(2,569)	(2,866)
Impairment of assets	-	(2,105)	-	(2,105)
Depreciation and amortisation	(943)	(830)	(3,382)	(3,397)
Gain on disposal of property, plant and equipment	56	2	73	2
Loss on disposal of investment property	(104)	-	(235)	-
Bad debts recovered/(written off)	2	(24)	(100)	(26)
Provision for doubtful debts	(8)	(12)	(8)	(12)
	<u>(8)</u>	<u>(12)</u>	<u>(8)</u>	<u>(12)</u>



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

B7 Status of Corporate Proposal

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

B8 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 28 February 2022 were as follows:

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Term loans	45,222	14,210	59,432
Bank overdrafts	-	2,551	2,551
Hire purchase liabilities	508	255	763
	<u>45,730</u>	<u>17,016</u>	<u>62,746</u>

B9 Changes in Material Litigation

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

B10 Dividend

The Board has declared an interim single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 28 February 2022 amounting to approximately RM1.9 million and was paid on 8 December 2021.

The Board does not recommend any final dividend for the financial year ended 28 February 2022.



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

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 ended by the weighted average number of ordinary shares in issue during the financial period.

	Quarter Ended		Year Ended	
	28.02.2022	28.02.2021 Restated	28.02.2022	28.02.2021 Restated
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	<u>7,137</u>	<u>11,232</u>	<u>23,446</u>	<u>43,448</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>5.58</u>	<u>8.78</u>	<u>18.32</u>	<u>33.94</u>

B12 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 28 April 2022.