



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 ENDED 28 FEBRUARY 2023

**EUPE CORPORATION BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023**

	Quarter Ended		Year Ended	
	28.02.2023 RM'000	28.02.2022 RM'000	28.02.2023 RM'000	28.02.2022 RM'000
Revenue	78,802	77,504	201,995	223,168
Cost of sales	<u>(54,800)</u>	<u>(58,837)</u>	<u>(144,217)</u>	<u>(157,325)</u>
Gross profit	24,002	18,667	57,778	65,843
Other operating income	1,434	642	14,085	2,695
Marketing and distribution expenses	(1,610)	(1,493)	(6,578)	(6,251)
Administrative expenses	(6,323)	(5,210)	(22,171)	(16,287)
Other operating expenses	(838)	(1,052)	(3,498)	(3,710)
Finance costs	<u>(841)</u>	<u>(697)</u>	<u>(2,550)</u>	<u>(2,569)</u>
Profit before tax	15,824	10,857	37,066	39,721
Tax expense	<u>(4,286)</u>	<u>(2,570)</u>	<u>(8,774)</u>	<u>(10,557)</u>
Profit for the period/year	11,538	8,287	28,292	29,164
Other comprehensive income				
Foreign currency translation differences for foreign operation	-	-	-	3
Total comprehensive income for the period/year	11,538	8,287	28,292	29,167
Profit attributable to:				
Equity holders of the Company	11,277	7,137	26,124	23,446
Non-controlling interests	<u>261</u>	<u>1,150</u>	<u>2,168</u>	<u>5,718</u>
	11,538	8,287	28,292	29,164
Total comprehensive income attributable to:				
Equity holders of the Company	11,277	7,137	26,124	23,448
Non-controlling interest	<u>261</u>	<u>1,150</u>	<u>2,168</u>	<u>5,719</u>
	11,538	8,287	28,292	29,167
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (sen)	<u>8.81</u>	<u>5.58</u>	<u>20.41</u>	<u>18.32</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 2022 and the accompanying explanatory notes attached to these Condensed Reports.

**EUPE CORPORATION BERHAD***[Registration No.: 199601005416 (377762-V)]***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023**

	AS AT 28.02.2023 RM'000	AS AT 28.02.2022 RM'000	Movement RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	57,016	58,770	(1,754)
Right-of-use assets	835	1,408	(573)
Inventories - land held for property development	272,890	141,782	131,108
Investment properties	40,143	44,020	(3,877)
Deferred tax assets	4,642	3,540	1,102
	<u>375,526</u>	<u>249,520</u>	<u>126,006</u>
Current assets			
Inventories - property development costs	136,196	91,035	45,161
Inventories - completed properties and others	26,835	30,900	(4,065)
Contract costs	16,590	6,682	9,908
Contract assets	66,634	21,269	45,365
Trade and other receivables	54,913	110,466	(55,553)
Sinking funds	687	674	13
Tax recoverable	1,540	585	955
Cash and cash equivalents	87,776	99,565	(11,789)
	<u>391,171</u>	<u>361,176</u>	<u>29,995</u>
TOTAL ASSETS	<u>766,697</u>	<u>610,696</u>	<u>156,001</u>

**EUPE CORPORATION BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023 (CONT'D)**

	AS AT 28.02.2023 RM'000	AS AT 28.02.2022 RM'000	Movement RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	133,982	133,982	-
Reserves	305,091	281,065	24,026
	<u>439,073</u>	<u>415,047</u>	<u>24,026</u>
Non-controlling interests	18,880	37,507	(18,627)
TOTAL EQUITY	<u>457,953</u>	<u>452,554</u>	<u>5,399</u>
Non-current liabilities			
Long-term borrowings	175,485	45,730	129,755
Lease liabilities	278	869	(591)
Deferred tax liabilities	13,247	12,143	1,104
	<u>189,010</u>	<u>58,742</u>	<u>130,268</u>
Current liabilities			
Contract liabilities	1,581	1,047	534
Trade and other payables	82,713	67,464	15,249
Provisions	13,544	10,917	2,627
Short-term borrowings	19,635	17,016	2,619
Lease liabilities	592	559	33
Current tax payables	1,669	2,397	(728)
	<u>119,734</u>	<u>99,400</u>	<u>20,334</u>
TOTAL LIABILITIES	<u>308,744</u>	<u>158,142</u>	<u>150,602</u>
TOTAL EQUITY AND LIABILITIES	<u>766,697</u>	<u>610,696</u>	<u>156,001</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>3.43</u>	<u>3.24</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 2022 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 2023**

	← 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 2022	133,982	(206)	281,271	415,047	37,507	452,554
Profit for the financial year	-	-	26,124	26,124	2,168	28,292
Disposal of interests in subsidiaries	-	206	-	206	(19)	187
Dividend paid	-	-	(2,304)	(2,304)	(20,776)	(23,080)
At 28 February 2023	<u>133,982</u>	<u>-</u>	<u>305,091</u>	<u>439,073</u>	<u>18,880</u>	<u>457,953</u>
At 1 March 2021	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	<u>133,982</u>	<u>(206)</u>	<u>281,271</u>	<u>415,047</u>	<u>37,507</u>	<u>452,554</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 2022 and the accompanying explanatory notes attached to these Condensed Reports.

**EUPE CORPORATION BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023**

	Year Ended	
	28.02.2023	28.02.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	214,115	222,002
Cash payments to suppliers and creditors	(297,235)	(128,842)
Cash payments to employees and for expenses	(34,307)	(22,168)
Cash (used in)/generated from operations	<u>(117,427)</u>	<u>70,992</u>
Deposit received	827	-
Deposit paid	(2,226)	-
Bank overdraft interest paid	(186)	(170)
Rental income received	829	901
Insurance claim received	97	-
Tax refunded	-	216
Tax paid	(10,424)	(14,683)
Net cash (used in)/generated from operating activities	<u>(128,510)</u>	<u>57,256</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	2,095	679
Proceed from disposal of property, plant and equipment	50	-
Proceed from disposal of investment properties	3,701	2,072
Purchase of property, plant and equipment	(1,029)	(391)
Purchase of right-of-use assets	-	(1,677)
Net changes in fixed deposits pledged	781	(181)
Net proceeds from disposal of subsidiaries	9,471	-
Net cash generated from investing activities	15,069	502

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023 (CONT'D)**

	Year Ended	
	28.02.2023 RM'000	28.02.2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to shareholders	(2,304)	(1,920)
Dividend paid to non-controlling interests	(22,260)	(10,655)
Drawdown of term loans	163,697	22,859
Repayment of term loans	(37,160)	(34,422)
Drawdown of revolving credits	32,000	40,460
Repayment of revolving credits	(26,000)	(42,675)
Net repayment of bankers' acceptance	-	(1,613)
Net repayment of invoice financing	-	(3,232)
Net repayment of hire purchase	(104)	(243)
Net (repayment)/creation of lease liabilities	(558)	1,176
Term loans interest paid	(2,488)	(4,469)
Revolving credits interest paid	(2,251)	(1,031)
Bankers' acceptance interest paid	(2)	-
Invoice financing interest paid	-	(11)
Hire purchase interest paid	(31)	(41)
Lease liabilities interest paid	(47)	(39)
Net cash generated from/(used in) financing activities	102,492	(35,856)
Net (decrease)/increase in cash and cash equivalents	(10,949)	21,902
Effect of exchange rate changes	-	3
Cash and cash equivalents at beginning of financial year	81,807	59,902
Cash and cash equivalents at end of financial year	70,858	81,807
Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	37,905	37,937
Fixed deposits with licensed banks	49,871	61,628
	87,776	99,565
Less: Bank overdraft	(2,492)	(2,551)
Deposits pledged as collateral	(14,426)	(15,207)
	70,858	81,807

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2022 and the accompanying explanatory notes attached to these Condensed Reports.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023**

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 2022. 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 2022.

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 2022, except for the adoption of new standards and amendments to standards and interpretation as follows:

Amendments to MFRSs adopted

For the preparation of the Condensed Report, the following amendments to MFRSs issued by the MASB are mandatory for the first time for the financial year 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 – 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

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



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

A4 Seasonal or Cyclical Factors

The results for the financial quarter and year ended 28 February 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 ended 28 February 2023.

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 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 ended 28 February 2023.

A8 Dividend Paid

On 27 October 2022, the Board of Directors has declared an interim single-tier dividend of 1.8 sen per ordinary share in respect of the financial year ended 28 February 2023 amounting to approximately RM2.3 million and was paid on 14 December 2022.



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023**

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

A9 Segmental Reporting

Financial Year Ended 28 February 2023

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	177,301	69,733	6,921	4,805	258,760
Elimination of inter- segment revenue	-	(54,497)	(129)	(2,139)	(56,765)
	<u>177,301</u>	<u>15,236</u>	<u>6,792</u>	<u>2,666</u>	<u>201,995</u>
Segment results	31,807	(431)	(2,202)	8,347	37,521
Interest income	1,826	242	24	3	2,095
Finance costs	(2,074)	(19)	(457)	-	(2,550)
Profit/(Loss) before tax	<u>31,559</u>	<u>(208)</u>	<u>(2,635)</u>	<u>8,350</u>	<u>37,066</u>
Tax expense	(7,593)	(1,253)	261	(189)	(8,774)
Profit/(Loss) for the year	<u>23,966</u>	<u>(1,461)</u>	<u>(2,374)</u>	<u>8,161</u>	<u>28,292</u>

As At 28 February 2023

Assets

Segment assets	<u>647,425</u>	<u>20,362</u>	<u>48,104</u>	<u>50,806</u>	<u>766,697</u>
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Liabilities

Segment liabilities	86,830	16,030	6,335	4,429	113,624
Borrowings	<u>187,808</u>	<u>86</u>	<u>7,226</u>	<u>-</u>	<u>195,120</u>
	<u>274,638</u>	<u>16,116</u>	<u>13,561</u>	<u>4,429</u>	<u>308,744</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023****Part A: Explanatory Notes Pursuant to MFRS 134 (cont'd)****A9 Segmental Reporting (cont'd)****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)
	207,203	8,401	5,043	2,521	223,168
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	34,008	(1,182)	(2,326)	(1,336)	29,164

As At 28 February 2022**Assets**

Segment assets	486,494	23,260	49,561	51,381	610,696
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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
	130,592	9,371	14,170	4,009	158,142

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 2022.



**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023**

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

A12 Significant Event Subsequent to the Reporting Period

There were no significant events which have 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 year ended 28 February 2023.

A13 Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial year ended 28 February 2023 save for the following:

- i) On 1 April 2022, the Company entered into a Share Sale Agreement with LYM Investments Pty. Ltd. for the disposal of its entire 70% equity stake in Australasia Development (M) Pty. Ltd. and Australasia Development Pty. Ltd. for a total sale consideration of AUD3,100,001 (equivalent to RM9,470,503).
- ii) On 9 May 2022, the Company's wholly-owned subsidiary, Eupe Kemajuan Sdn. Bhd., incorporated a wholly-owned subsidiary, namely Eupe Belfield Sdn. Bhd. ("EBSB"). The principal activity of EBSB is to carry out the business of property development.

A14 Contingent Liabilities and Assets

The contingent liabilities of the Group for the financial year ended 28 February 2023 amounted to RM7.7 million representing claims for liquidated ascertained damages in respect of one of the residential projects undertaken by the Group, should the claims be successful.

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

A15 Capital Commitments

Capital commitments of the Group are as follows:

	28.02.2023	28.02.2022
	RM'000	RM'000
Approved and contracted for:		
- Development lands acquired under Sale and Purchase Agreement	13,315	36,000



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023**

Part B: Explanatory Notes Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

Revenue	Quarter Ended			Year Ended		
	28.02.2023	28.02.2022	Changes	28.02.2023	28.02.2022	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	71,872	72,961	(1,089)	177,301	207,203	(29,902)
Property Construction	4,314	2,340	1,974	15,236	8,401	6,835
Chalet & Golf Management	1,911	1,568	343	6,792	5,043	1,749
Others	705	635	70	2,666	2,521	145
Total	78,802	77,504	1,298	201,995	223,168	(21,173)

Pre-tax Profit/(Loss)	Quarter Ended			Year Ended		
	28.02.2023	28.02.2022	Changes	28.02.2023	28.02.2022	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	16,430	11,849	4,581	31,559	44,119	(12,560)
Property Construction	90	(305)	395	(208)	(1,182)	974
Chalet & Golf Management	(580)	(624)	44	(2,635)	(2,663)	28
Others	(116)	(63)	(53)	8,350	(553)	8,903
Total	15,824	10,857	4,967	37,066	39,721	(2,655)

Overview

Q4FY2023 vs Q4FY2022

The Group reported higher revenue and pre-tax profit totalling RM78.8 million and RM15.8 million respectively for the financial quarter ended 28 February 2023 (“Q4FY2023”), compared to revenue and pre-tax profit of RM77.5 million and RM10.8 million respectively in the preceding corresponding financial quarter (“Q4FY2022”). The outcome represented a slight improvement in revenue of RM1.3 million or 1.7%, with an improved pre-tax profit of RM5.0 million or equivalent to 46.3%, compared to the previous financial quarter.

The improved financial performance is reflective of improved market sentiment as the economy continue to rebound from COVID-related disruptions, with revenue from the Property Construction Division in particularly showing a marked improvement, almost doubling for the current financial quarter.

FY2023 vs FY2022

The Group recorded total revenue and pre-tax profit of RM202.0 million and RM37.1 million respectively for the financial year ended 28 February 2023 (“FY2023”). This compared to total revenue and pre-tax profit of RM223.2 million and RM39.7 million respectively for the previous financial year ended (“FY2022”).



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023**

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

B1 Review of Performance (cont'd)

Overview (cont'd)

FY2023 vs FY2022 (cont'd)

Revenue in FY2023 was lower than FY2022 by 9.5%, whilst pre-tax profit decreased by 6.5%. This decrease was due to a decline in overall revenue and profit recorded resulted from the total value of projects being completed and handed over to purchasers in the previous financial year was higher than the key projects in FY2023, namely **Est8@Seputeh ("Est8")** and **Helix2@PJ South ("Helix2")** that were launched in November 2021 and August 2022 respectively, and were still in the early stages of construction.

The contribution from each of the Group's business division for the quarter and year under review, is as follows:

Property Development Division ("PDD")

The PDD continues to be the major contributor of the Group's revenue and profit. During Q4FY2023, it recorded a slight decrease in revenue of RM1.1 million or 1.5%, from RM73.0 million in Q4FY2022 to RM71.9 million.

Central Region – Total revenue was RM19.1 million lower, due to the main project contributing to Q4FY2022's revenue, being the Group's second Kuala Lumpur ("KL") project, **Parc3@KL South ("Parc3")** was completed and handed over to purchasers in December 2021. The lower revenue was partially off-set by the progressive site works at ongoing projects and sales take-up contributions in Q4FY2023 from the Group's third and fourth KL projects, namely **Est8** and **Helix2**.

Northern Region – Quarter-on-quarter revenue increased by RM18.0 million, primarily due to strong sales take-up rate and site progress of the newly launched projects during FY2023, namely **Astana Parkhome A**, **The Somerset**, **Bandar Seri Astana Jaya** and **Padang Serai Factory**, as well as gains in three phases of projects' sales take up rate and site progress under **Astana Parkhome A** which were launched towards end of FY2022. The gain was off-set with the absence of revenue from completion of seven phases of projects at **Astana Parkhome A** and **Puncak Surya** in the previous financial year.

Overall, PDD recorded an increase in pre-tax profit of RM4.6 million, or 39.0% to RM16.4 million in Q4FY2023, compared to RM11.8 million in Q4FY2022. In addition to the outcomes highlighted above that contributed to the result, the pre-tax profit increase in this financial quarter as compared to Q4FY2022 was also due to higher cost of sales recorded in Q4FY2022 following the finalisation of **Parc3's** construction costs.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2023**

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)

PDD’s revenue recorded at RM177.3 million in FY2023, a decrease of RM29.9 million or 14.4% from FY2022, in line with lower pre-tax profit registered at RM31.6 million in FY2023, dropped by RM12.5 million or 28.3% from FY2022. This was mainly due to the aforementioned completion of **Parc3** in Central Region as well as seven phases of residential projects in the Northern Region in FY2022.

Property Construction Division (“PCD”)

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

PCD almost doubled its revenue by RM2.0 million or 87.0%, to RM4.3 million in Q4FY2023 compared to RM2.3 million recorded in Q4FY2022. Correspondingly, PCD recorded a pre-tax profit of RM0.1 million in Q4FY2023, compared to a pre-tax loss of RM0.3 million recorded for Q4FY2022.

Similarly, PCD’s revenue increased by RM6.8 million or 81.0% to RM15.2 million in FY2023, compared to RM8.4 million in FY2022. As a result, PCD reported lower pre-tax loss of RM0.2 million in FY2023, RM1.0 million or 83.3% lesser than that of the previous financial year.

Improvement in PCD’s performance was driven by higher demand for building materials for project constructions as the construction industry recovers from COVID-related disruptions.

Chalet & Golf Management Division (“CGMD”)

CGMD continues to benefit from the lifting of COVID-related movement restrictions and registered higher revenue of RM1.9 million in Q4FY2023, an increase of RM0.3 million or 18.8% from RM1.6 million in Q4FY2022. Similarly, CGMD reported higher revenue of RM6.8 million in FY2023 with an increase of RM1.8 million or 36.0% in total revenue for the full financial year compared to the previous financial year.

The improvement is mainly contributed by continuous higher sales of **Cinta Sayang Resort’s** room occupancy, banquet events and golfing activities.

Notwithstanding these increases in revenue, CGMD reported a pre-tax loss of RM0.6 million in Q4FY2023, similar to that of the Q4FY2022, as well as pre-tax loss of RM2.6 million in FY2023 and, again similar to that recorded for FY2022. These results were, despite the increase in revenue, the result of the rise in CGMD’s operating costs following the improved business activity.

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The Others' division revenue represents rental from the Group's investment properties. Both revenue in Q4FY2023 and FY2023 increased marginally by RM0.1 million, compared to previous corresponding period.

However, the division reported a pre-tax loss by RM0.1 million in Q4FY2023, slightly higher compared to Q4FY2022 due to higher administrative costs.

The division posted a higher pre-tax profit of RM8.4 million in FY2023, compared to the pre-tax loss of RM0.6 million in FY2022, resulting from the gain on disposal of the Group's Australian-based subsidiaries.

B2 Material Changes in the Quarter Results

	Quarter Ended		
	28.02.2023	30.11.2022	Changes
	RM'000	RM'000	RM'000
Revenue	78,802	47,965	30,837
Pre-tax profit	15,824	5,365	10,459

The Group's revenue increased significantly by RM30.8 million or 64.2% to RM78.8 million in Q4FY2023, compared to RM48.0 million in the immediate preceding quarter ended 30 November 2022 ("Q3FY2023"). 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 the contributions from four newly-launched projects in PDD's Northern Region – **Astana Parkhome A**, **The Somerset**, **Bandar Seri Astana Jaya** and **Padang Serai Factory**.

The pre-tax profit increased by RM10.4 million or 192.6% to RM15.8 million in Q4FY2023, compared to RM5.4 million in Q3FY2023, in line with the increase in revenue primarily from the aforementioned projects.



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

B3 Prospects

Malaysia's economy continues to be impacted by external headwinds resulting from ongoing interest rate rises in major economies, in turn due to persistent inflation. The Asian Development Bank (ADB) has forecasted that Malaysia's economy will grow at 4.7% in year 2023.

Generally, inflationary pressures impacting on Malaysia's economy else appear to have been contained due to ongoing government support and price controls, meaning interest rate pressures are also likely to contained in the medium-term. At the same time, a moderating of consumer demand is now evident with consumers having drawn down on savings accumulated during the period of COVID-related movement restrictions.

Despite these ongoing headwinds, underlying demand for housing remains strong, due to continuing robust employment conditions and forecast stability in domestic interest rates. The Group will continue to monitor potential risks, particularly consumer sentiment amid ongoing global economic uncertainties, but generally conditions appear relatively favourable for the launch of key projects, including the proposed mixed development project at Belfield, being planned by the Group over the next 12 months.

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

B5 Taxation

	Quarter Ended		Year Ended	
	28.02.2023	28.02.2022	28.02.2023	28.02.2022
	RM'000	RM'000	RM'000	RM'000
Current year taxation	6,315	3,674	8,772	9,214
Deferred taxation	(2,029)	(1,104)	2	1,343
	<u>4,286</u>	<u>2,570</u>	<u>8,774</u>	<u>10,557</u>

The Group's effective tax rate in Q4FY2023 was higher than the statutory tax rate in Malaysia mainly due to certain expenses not deductible for tax purposes and losses in certain subsidiaries which are not available to set off against taxable profits of other subsidiaries. However, the effective tax rate in FY2023 was lower than the statutory tax rate in Malaysia mainly attributed to the gain on disposal of foreign subsidiaries which is not subject to tax.

B6 Profit Before Tax

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

	Quarter Ended		Year Ended	
	28.02.2023	28.02.2022	28.02.2023	28.02.2022
	RM'000	RM'000	RM'000	RM'000
Interest income	748	162	2,095	679
Gain on disposal of a subsidiary	-	-	9,223	-
Gain on disposal of an investment property	-	-	49	-
Gain on disposal of property, plant and equipment	-	56	50	73
Other income	686	480	2,668	2,016
Interest expense	(841)	(697)	(2,550)	(2,569)
Depreciation and amortisation	(819)	(943)	(3,279)	(3,382)
Bad debts recovered/(written off)	5	2	5	(100)
Fixed assets written off	-	*	(2)	*
Loss on disposal of a subsidiary	-	-	(2)	-
Loss on disposal of an investment property	(29)	(104)	(223)	(235)
Realised foreign exchange loss	(3)	-	(3)	-
Reversal of/(Provision for) doubtful debts	<u>5</u>	<u>(8)</u>	<u>5</u>	<u>(8)</u>

* Denotes less than thousand

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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 2023 were as follows:

	Non-current RM'000	Current RM'000	Total RM'000
Secured			
Term loans	175,123	10,846	185,969
Revolving credits	-	6,000	6,000
Bank overdrafts	-	2,492	2,492
Hire purchase liabilities	362	297	659
	<u>175,485</u>	<u>19,635</u>	<u>195,120</u>

B9 Changes in Material Litigation

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

B10 Dividend

On 27 October 2022, the Board of Directors has approved and declared an interim single-tier dividend of 1.8 sen (FY2022: 1.5 sen) per ordinary share amounting to approximately RM2.3 million in respect of the financial year ended 28 February 2023. The interim dividend was paid on 14 December 2022 to shareholders whose names appear on the Company's Record of Depositors on 30 November 2022.

The Board of Directors does not recommend any final dividend for the financial year ended 28 February 2023.

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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.

	Quarter Ended		Year Ended	
	28.02.2023	28.02.2022	28.02.2023	28.02.2022
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	<u>11,277</u>	<u>7,137</u>	<u>26,124</u>	<u>23,446</u>
Weighted average number of ordinary shares ('000)	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>	<u>128,000</u>
Basic earnings per share (sen)	<u>8.81</u>	<u>5.58</u>	<u>20.41</u>	<u>18.32</u>

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 27 April 2023.