

LETTER TO SHAREHOLDERS

AN AWARD-WINNING YEAR



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ANNUAL REPORT 2020

The last 12 months which are the focus of this year's Annual Report are best described as an 'Award-Winning Year' for Eupe. Over the year, our maiden Kuala Lumpur residential projects, Novum@South Bangsar and Parc3@KL South, have won highly sought-after property design awards.

These awards are tremendous accolades for both projects. But they also represent a milestone for the company in more foundational terms. Whereas the previous two years were focused on building the internal foundations for long-term success, our award-winning year shows our distinctive approach to property development is translating into broader, brand recognition.

When we announced our entry into the KL property market, I explained our distinctive Shared Value approach to property development. We wanted to make clear that our strategy will never be about cutting corners or chasing short-term profits. Instead, we are committed to giving our buyers more for less. In this way, we strive to gain a following of loyal buyers and supporters who can both underpin and share in our long-term growth and financial success.

With our projects now attracting prestigious awards, we know that all-important brand recognition of our distinctive approach is building market momentum. I believe our overriding commitment to clear, compelling and inventive product differentiation will be our strongest advantage as the company moves ahead in these very uncertain times.



Dato' Beh Huck Lee
Group Managing Director
Eupe Corporation Berhad

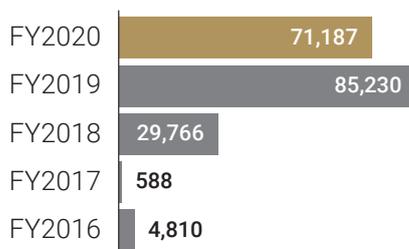
FINANCIAL HIGHLIGHTS

Overall, the Group's financial results were pleasing, given the challenging nature of the market throughout FY2020. As with the last financial year, much of the Group's revenue and profit for the year were derived from the proceeds of Novum and Parc3.

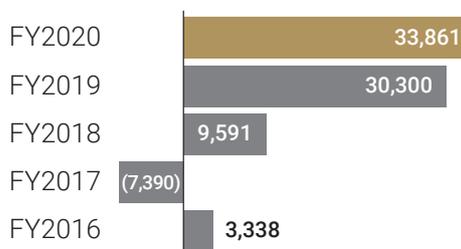
Changing financial contributions of both projects to our overall results resulted in total Group revenue for the year of RM298.3 million, compared to RM359.9 million. As a result, the Group's pre-tax profit for the full-year was lower by RM14.0 million compared to FY2019, due to the lower profit contribution from Novum as the project reached completion.

At the same time, profit attributable to the equity holders of the Company improved over the 12 months from RM30.3 million to RM33.9 million. This has also resulted in an improvement in the Group's earnings per share from 23.67 sen to 26.45 sen, a near four-fold increase since FY2018. These results have provided the Group with the capacity to declare an interim single-tier dividend of 1.5 sen per share for the financial year.

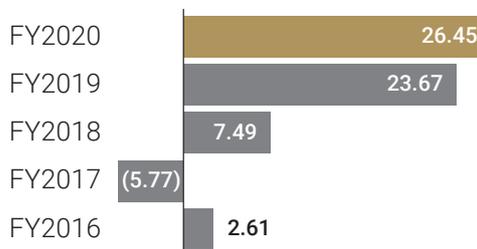
Profit Before Tax (PBT) (RM'000)



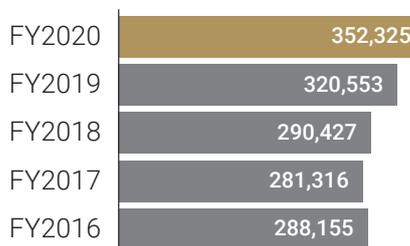
Profit attributable to equity holders of the Company (RM'000)



Earnings per share (EPS) (sen)



Shareholders' funds (RM'000)

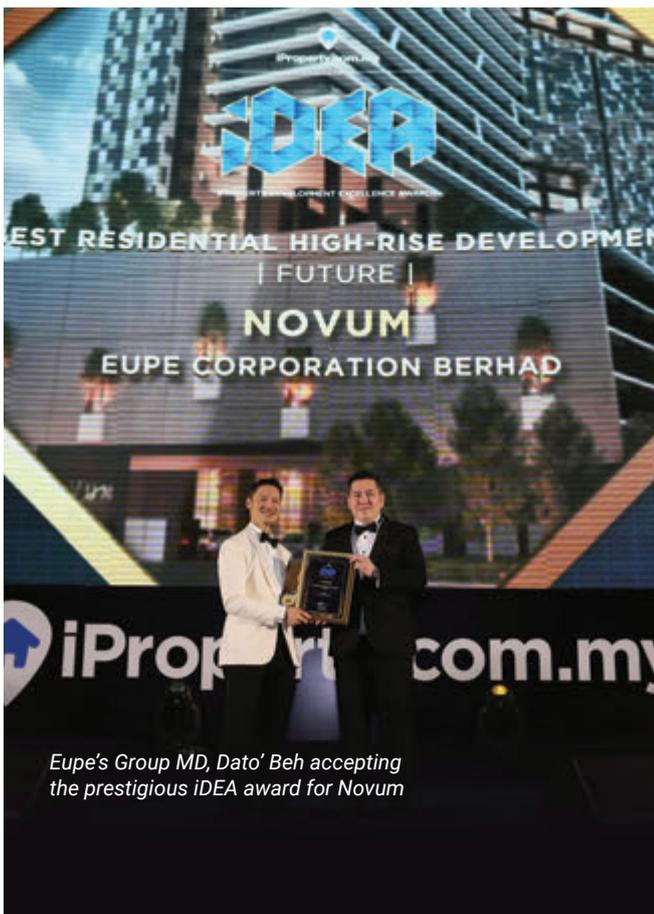


NOVUM

SOUTH BANGSAR



Novum is now complete and awaiting handover to its 700 buyers.



Eupé's Group MD, Dato' Beh accepting the prestigious iDEA award for Novum

PROPERTY DEVELOPMENT

Construction of Novum, which is 100 per cent sold, is now complete and awaiting handover to its 700 buyers once the current COVID-19 lockdown is over. Over the year, Parc3 achieved a sales take-up rate exceeding 90 per cent, another very pleasing result in challenging market conditions. Construction of the project is also well-advanced.

Last May, Novum was announced the winner of the *Best Condo/Apartment Architectural Design* category at the annual PropertyGuru Asia Property Awards. At the same awards, Parc3 was Highly Commended in the *Best Landscape Design* Category. In October 2019, Novum was also awarded the *Best Residential High-Rise Development (Future)* at the highly-regarded iProperty Development Excellence Awards (iDEA). All three awards recognise our core strategic objective of creating lasting value for our buyers.

Our Northern Township Development Division continues to grapple with subdued consumer demand in the region. Its focus has continued to be offering affordable and entry-level housing, while continuing to execute quality control and margin improvements.

OTHERS DIVISIONS

Eupé's Property Construction Division recorded revenue RM1.6 million lower than the previous year. The Division's pre-tax loss, however, was reduced to RM0.4 million. The Chalet and Golf Management Division recorded total revenue of RM10.2 million, a decrease of RM1.7 million compared to FY2019. The Divisions management is continuing to focus on operational savings and efficiencies to rationalise costs.

MARKET OUTLOOK

Market conditions will be significantly impacted for the foreseeable future as a result of measures to contain the spread of COVID-19. While it is not possible at this stage to forecast the exact contours of these changes, they are likely to accelerate the shift in the property market toward greater housing affordability on the one hand, and the imperative for clearly differentiated products on the other. These are both strategies that are the core of Eupé's strategy. We will be refocusing our efforts in these areas so that our future projects remain a compelling offer to buyers.

CONCLUSION

Many of the challenges we are living through are new to everyone. But this period is also an opportunity for those who are committed to breaking new ground. We promise you, our valued shareholders, that we will carefully consider how to best leverage the far-reaching changes created by recent disruptions. We intend to pursue these potential opportunities with the same strategic foresight and diligence that we have applied to achieve our recent award-winning successes.

On that note, I want to again express my sincere thanks to all our shareholders for your continuing loyalty and support.

Dear Shareholders of Eupe Corporation Berhad,

We are pleased to invite you to the 24th Annual General Meeting (AGM) of the Company, which will be conducted entirely through live streaming from the Broadcast Venue, as below:

Data & Time :

18 August 2020 (Tuesday), 11:00 a.m.

Broadcast Venue :

5th Floor, Wisma Ria, Taman Ria,
08000 Sungai Petani, Kedah Darul Aman.

Shareholders will not be allowed to attend the 24th AGM in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate in the 24th AGM will have to do so remotely, and register via <https://shorturl.at/gvHV4>. Kindly refer to the Administrative Notes for more information.

Please scan the QR code for the Company's documents below. They are also accessible via

<http://www.eupe.com.my/investor-relations>

1. Annual Report 2020
(also available at www.bursamalaysia.com)
2. Corporate Governance Report 2020
3. Notice of 24th AGM
4. Form of Proxy
5. Circular to Shareholders
6. Administrative Notes



Should you require a printed copy of the Annual Report 2020, please contact us via telephone or e-mail below:

Contact Person : Ms. Felycia Ooi

Tel. : +604-441 4888

Email : felyciaooi@eupe.com.my

If you require any assistance or clarification on the above, kindly contact our Share Registrar:

Mega Corporate Services Sdn. Bhd.

Tel. : +603-2692 4271

Email : AGM-support.EUPE@megacorp.com.my

Thank you for your continued support to
Eupe Corporation Berhad.

Yours faithfully,



Dato' Beh Huck Lee

Group Managing Director

25 June 2020