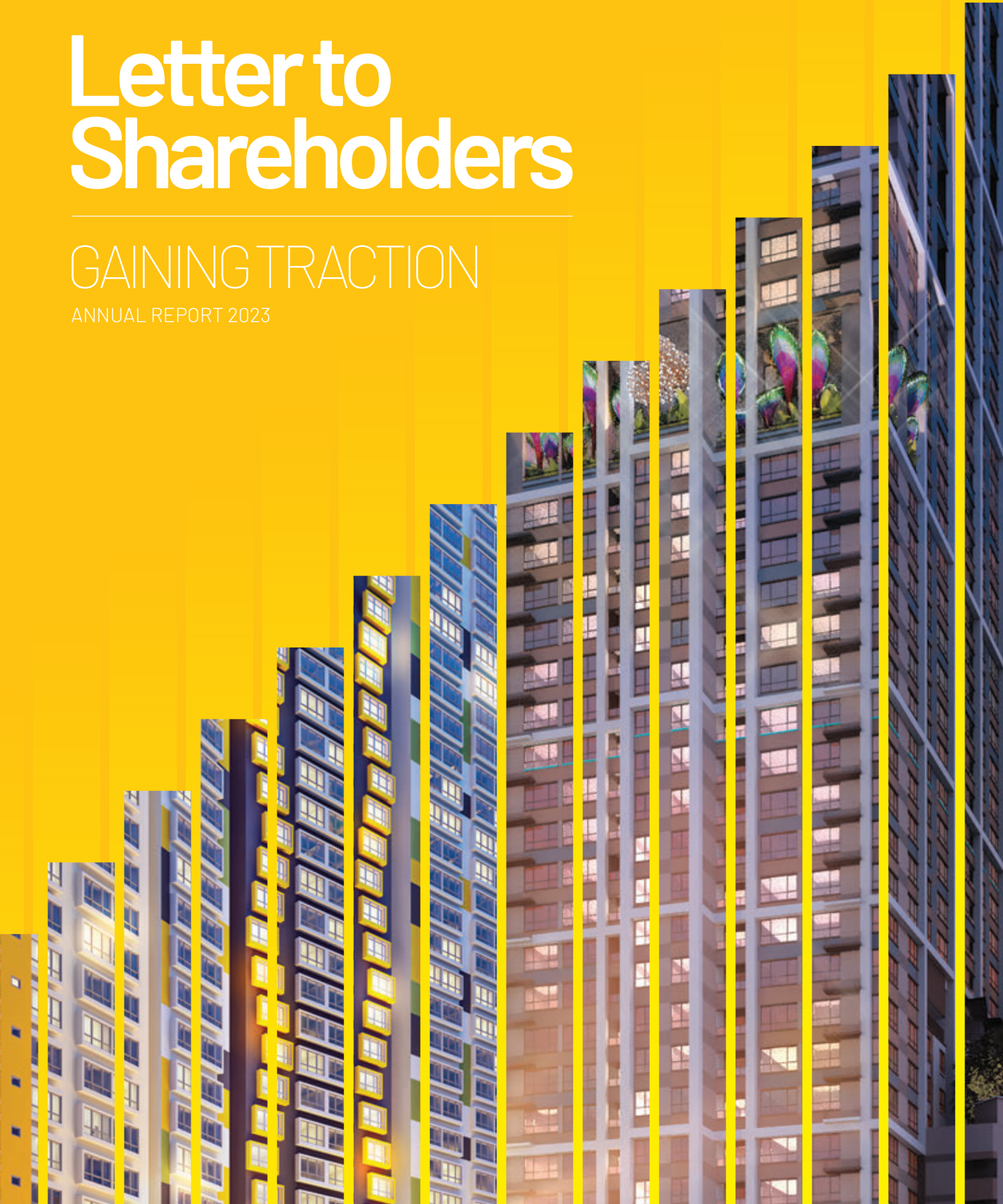


Letter to Shareholders

GAINING TRACTION

ANNUAL REPORT 2023





We are poised to return to our pre-Covid trajectory of record levels of Group revenue and profit, underpinned by Eupe embarking on its biggest residential projects to date.



Dato' Beh Huck Lee
Group Managing Director

I am pleased to report that Eupe has continued to successfully execute and expand its growth strategy during what was the first full financial year since 2019 without COVID-related disruptions.

Our pipeline of current and future projects now has a total value of RM2.8 billion, more than twice that of the total pipeline value of the Group's projects when the pandemic started in FY2020. Our reputation for quality and innovation is widening and deepening, with Eupe winning more property design awards over the year.

The Group's financial results this year continue to show the residual impact of COVID-related movement restrictions. However, we are poised to return to our pre-COVID trajectory of record levels of Group revenue and profit, underpinned by Eupe embarking on its biggest residential projects to date.

One of the most pleasing aspects of the year has been the gaining of traction in the market of Eupe's distinctive *Shared Value* approach. Through *Shared Value*, we invest more in innovative design features and facilities to create a compelling product mix of quality and value. Recognising the success of this strategy to date, Eupe was awarded 'Highest Growth in Profit after Tax Over Three Years' in the property sector at The Edge Centurion Club Corporate Awards 2022.

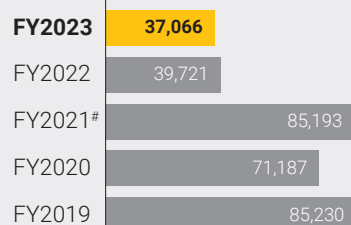


Financial Results

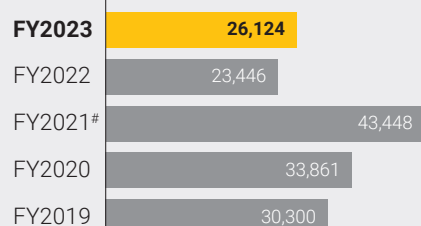
The Group achieved total revenue for FY2023 of RM202.0 million. This compared to revenue of RM223.2 million for FY2022, is a decrease of RM21.2 million, or 9.5 per cent. This revenue outcome translated into Group pre-tax profit for the full year of RM37.1 million, marginally lower than the pre-tax profit of RM39.7 million recorded in the previous financial year.

Earnings per share increased from 18.32 sen in FY2022 to 20.41 sen in FY2023 while total shareholders' funds increased from RM415.0 million in FY2022 to RM439.1 million in FY2023. The Group's debt position remains low, providing good scope to fund land acquisitions and further expand the Group's project pipeline.

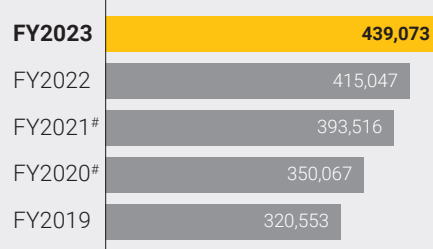
Profit Before Tax ("PBT") (RM'000)



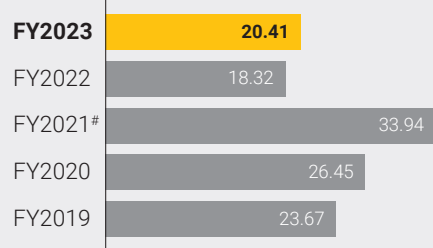
Profit attributable to equity holders of the Company (RM'000)



Shareholders' funds (RM'000)



Earnings per share ("EPS") (sen)



included effects from the adoption of the IFRS Interpretations Committee ("IFRIC") Agenda Decision on MFRS 123 Borrowing Costs

Property Development Division

Our Klang Valley operations experienced another successful year on several fronts. The Group launched its maiden 'mass' housing project in KL - Helix2 @ PJ South in August 2022. Helix2 @ PJ South has been received well by buyers and underscores the flexibility of Eupe's *Shared Value* approach in meeting the home and lifestyle needs of a diverse range of market segments.

Buyer response for Est8 @ Seputeh, which was launched as our third high-rise residential development in KL in November 2021, continued to be strong. Buyer take-up exceeds 90 per cent and construction is now well underway. Just as pleasing, Parc3 @ KL South – our second KL project – was awarded both Malaysia's Best Lifestyle High Development and High Rise Development of the Year at the PropertyGuru Asia Awards Malaysia. The Division's Northern operations experienced a somewhat subdued 12 months, with the focus on selling new stages of existing projects.

Our next major residential projects – Circadia @ Belfield and Edgewater Estate - will further develop our product mix in innovative ways. Circadia @ Belfield will be the Group's first RM1 billion-plus project. Planning is well underway, drawing on our award-winning approach to deliver an iconic, sustainability-inspired project in the heart of KL. Edgewater Estate will be our largest development in Kedah to date, and comprise a strategic mix of residential, commercial and community facilities, planned around a network of wetlands.

The Property Development Division's total revenue for FY2023 was RM177.3 million, a decrease of RM29.9 million from FY2022. This translated into a lower pre-tax profit of RM31.6 million in FY2023, a decrease of RM12.5 million in FY2022. This decrease was mainly due to the completion and handover of Parc3 @ KL South in the last financial year, as well as the completion of several phases of residential projects in the Northern region in FY2022.



Parc3's numerous eco-design features have continued to attract major property awards



Construction of Est8 @ Seputeh, adjacent to the Mid Valley shopping precinct, is now well underway

Property Construction Division

The Property Construction Division recorded total revenue of RM15.2 million for FY2023, an improvement on last year's revenue, reflecting higher demand for building materials as the construction industry recovers from COVID-related disruptions. The increased revenue translated into a pre-tax loss of RM0.2 million in FY2023, RM1 million less than the previous financial year.

Chalet and Golf Management Division

The Chalet and Golf Management Division continued to benefit from the tourism and hospitality sector's ongoing post-COVID recovery. The Division reported higher revenue of RM6.8 million in FY2023, an increase of RM1.8 million from the previous year. However, it reported a pre-tax loss of RM2.6 million in FY2023, similar to FY2022, due to the rise in operating costs.

Others

The Others Division, which represents returns from the Group's investment properties, posted higher a pre-tax profit of RM8.4 million in FY2023, compared to the pre-tax loss of RM0.6 million it recorded in FY2022. This increase resulted from the disposal of the Group's Australian-based subsidiaries.

Market Outlook

The lifting of COVID-19 related restrictions, largely completed during FY2023, has been of particular benefit to those sectors, particularly property and services, where demand and sentiment was severely curtailed by the pandemic. This return to normality has been offset to some degree by uncertainty created by inflationary pressures.

Generally, the Malaysian property market remains underpinned by a combination of population growth, strong employment growth and an expanding services sector. At the same time, the disruptions created by the pandemic have accelerated the pace of several longer term trends that have the potential to challenge existing property development models. In short, the near to medium-term outlook for property remains both exciting yet challenging with significant opportunities.

Conclusion

The past year has seen the Group gain increased traction in key areas which are integral to our sustained expansion and success. These successes give us greater certainty for executing our growth plans in the coming years. However, we are not a company that rests on its laurels. Eupe strives to make every project truly better than the last.

On behalf of everyone at Eupe, I want to extend my continuing deep appreciation to all our investors, customers and business partners for placing their commitment and trust in us.

Dear Shareholders of Eupe Corporation Berhad,

We are pleased to invite you to the 27th Annual General Meeting (AGM) of the Company, which will be conducted virtually through live streaming and online remote voting platform from the Broadcast Venue as below:

Date & Time :

24 August 2023 (Thursday)
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 27th AGM in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate at the 27th AGM will therefore have to do so remotely, and register via the link at <https://vps.megacorp.com.my/rPE1VL>. 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/investors>



1. Annual Report 2023 (also available at www.bursamalaysia.com)
2. Corporate Governance Report 2023 (also available at www.bursamalaysia.com)
3. Notice of 27th AGM
4. Proxy Form
5. Statement/Circular to Shareholders
6. Administrative Notes

Should you require a printed copy of the Annual Report 2023 or Statement/Circular to Shareholders, 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

+6012-9122 734 Alfred

+6012-2529 136 Hisham

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

30 June 2023



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