

EUPE CORPORATION BERHAD (377762-V)

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2006

		Individual Quarter		Cumulative Quarter	
		Current yr. Quarter 30 NOV 2006 RM '000	Preceding yr. Corresponding Quarter 30 NOV 2005 RM '000	Current yr. to date 30 NOV 2006 RM '000	Preceding yr. to date 30 NOV 2005 RM '000
1.	Revenue	38,843	27,357	118,481	61,615
2.	Profit/(loss) before tax	3,019	1,958	10,030	4,069
3.	Profit/(loss) for the period	1,730	1,428	6,706	3,087
4.	Profit/(loss) attributable to ordinary equity holders of the parent	1,731	1,428	6,707	3,087
5.	Basic earnings/ (loss) per shares (sen)	1.35	1.12	5.24	2.41
6.	Proposed/declared dividend per share (sen)	0	0	0	0

		AS AT END OF CURRENT QUARTER	AS AT PRECEEDING FINANCIAL YEAR END
7.	Net assets per share attributable to ordinary equity holders of the parent (RM)	1.61	1.55

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 30 November 2006

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER (3rd Q)		CUMULATIVE QUARTER (9 Mths)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	30/11/2006 RM'000	30/11/2005 RM'000	30/11/2006 RM'000	30/11/2005 RM'000
REVENUE	38,843	27,357	118,481	61,615
COST OF SALES	-33,254	-22,817	-100,212	-50,542
GROSS PROFIT	5,589	4,540	18,269	11,073
OTHER OPERATING INCOME	123	120	397	388
AMORTISATION OF RESERVE ON CONSOLIDATION	0	138	0	415
MARKETING AND DISTRIBUTION COSTS	-368	-613	-1,527	-1,095
ADMINISTRATION EXPENSES	-1,713	-1,671	-5,423	-4,987
OTHER OPERATING EXPENSES	-374	-304	-964	-906
FINANCIAL COST	-238	-252	-722	-819
SHARE OF RESULT OF AN ASSOCIATED COMPANY	0	0	0	0
PROFIT BEFORE TAXATION	3,019	1,958	10,030	4,069
TAXATION	-1,289	-530	-3,324	-982
PROFIT FOR THE FINANCIAL PERIOD	1,730	1,428	6,706	3,087
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENTS	1,731	1,428	6,707	3,087
MINORITY INTEREST	-1	0	-1	0
	1,730	1,428	6,706	3,087
BASIC EARNINGS PER ORDINARY SHARE (SEN)	1.35	1.12	5.24	2.41
DILUTED EARNINGS PER ORDINARY SHARE (SEN)	1.35	1.12	5.24	2.41

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2006 and the accompanying explanatory notes attached to the financial statement)

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 30 November 2006

(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF THIRD QUARTER 30/11/2006 RM'000	PRECEDING FINANCIAL YEAR 28/02/2006 RM'000
ASSETS		
PROPERTY, PLANT AND EQUIPMENT	88,251	75,414
INVESTMENT IN AN ASSOCIATED COMPANY	-	25
OTHER INVESTMENTS	11	11
DEFERRED PLANTATION EXPENDITURES	1,085	997
DEFERRED TAX ASSETS	56	56
DEVELOPMENT PROPERTIES	115,351	112,058
INVESTMENT PROPERTIES	21,153	21,153
CURRENT ASSETS		
Development properties	27,755	31,336
Inventories	12,081	15,184
Trade receivables	15,230	18,249
Other receivables, deposits and prepayments	2,106	1,698
Sinking and redemption funds	749	560
Tax recoverable	112	662
Fixed deposits with licensed banks	1,838	764
Cash and bank balances	6,781	7,474
	<u>66,652</u>	<u>75,927</u>
TOTAL ASSETS	<u>292,559</u>	<u>285,641</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	77,592	70,886
	<u>205,592</u>	<u>198,886</u>
Minority interest	92	92
	<u>205,684</u>	<u>198,978</u>
LONG TERM AND DEFERRED LIABILITIES		
Term loans - secured	16,490	11,408
Hire purchase creditors	345	345
Deferred taxation	21,767	22,123
	<u>38,602</u>	<u>33,876</u>
CURRENT LIABILITIES		
Trade payables	14,424	10,028
Progress Billings	10,446	12,598
Other payables and accruals	16,180	19,621
Amount due to directors	160	152
Term loan	355	2,845
Revolving credit	4,500	6,000
Bank overdraft	570	988
Hire purchase liabilities	27	105
Provision for infrastructure cost	205	256
Taxation	1,406	194
	<u>48,273</u>	<u>52,787</u>
TOTAL EQUITY AND LIABILITIES	<u>292,559</u>	<u>285,641</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	<u>1.61</u>	<u>1.55</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2006 and the accompanying explanatory notes attached to the financial statement)

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 30 November 2006

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	9 MONTHS ENDED 30/11/06 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	119,894
Cash payments to suppliers and creditors	(87,066)
Cash payments to employees and for expenses	(12,255)
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Cash generated from operations	20,573
Interest income received	18
Interest expenses - overdraft	(12)
Rental income received	128
Deposit received/ (paid)	(89)
Tax paid	(1,917)
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Net cash from operating activities	18,701
CASH FLOWS FROM INVESTING ACTIVITIES	
Insurance claim received	24
Interest income	112
Proceeds from disposal of an associate company	30
Purchase of property, plant and equipment	(14,641)
Acquisition of freehold land	(3,602)
Fixed deposits released from pledge / (pledge to licensed bank)	(196)
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Net cash used in investing activities	(18,273)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advance from / (Repayment to) director	-
Drawdown of term loan	6,130
Drawdown of revolving credit	1,000
Repayment of term loan	(3,538)
Repayment of revolving credit	(2,500)
Repayment of hire purchase loan	(78)
Term loan interest paid	(817)
Revolving credit interest paid	(5)
Hire purchase interest paid	(15)
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Net cash used in financing activities	177
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Net increase in cash and cash equivalents	605
Cash and cash equivalents at beginning of financial year	6,757
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Cash and cash equivalents at end of financial period	7,362
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(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2006 and the accompanying explanatory notes attached to the financial statement)

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 30 November 2006

(The figures have not been audited)

Condensed Consolidated Statement of Changes in Equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENTS					MINORITY INTEREST	TOTAL EQUITY
	Share capital	Share premium	Reserve on consolidation	Retained profits	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 March 2006	128,000	5,982	28,928	35,976	198,886	92	198,978
Adjustment to retained profits							
- Effect of adopting FRS 3	-	-	(28,928)	28,928	-	-	-
Restated balance as at 1 March 2006	128,000	5,982	-	64,904	198,886	92	198,978
Net profit for the financial period	-	-	-	6,706	6,706	-	6,706
Balance as at 30 November 2006	<u>128,000</u>	<u>5,982</u>	<u>-</u>	<u>71,610</u>	<u>205,592</u>	<u>92</u>	<u>205,684</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2006 and the accompanying explanatory notes attached to the financial statement)

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2006

1 Basis of preparation

The financial statements are unaudited and have been prepared in accordance with FRS 134₂₀₀₄, Interim Financial Reporting and Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements.

The financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 28 February 2006.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2006.

Change in accounting policy

The significant accounting policies adopted are consistent with those of the audited financial statement for the financial year ended 28 February 2006 except for the adoption of the followings new/revised Financial Reporting Standards (“FRS”) effective for the financial statements commencing 1 March 2006:

FRS 2	Share-based payment
FRS 3	Business Combination
FRS 5	Non-current assets held for sale and discontinued operations
FRS 101	Presentation of financial statements
FRS 102	Inventories
FRS 108	Accounting policies, changes in estimates and errors
FRS 110	Events after the balance sheet date
FRS 116	Property, plant and equipment
FRS 121	The effects of changes in foreign exchange rates
FRS 127	Consolidated and separate financial statements
FRS 128	Investments in associates
FRS 131	Interests in joint ventures
FRS 132	Financial instruments: disclosure and presentation
FRS 133	Earnings per share
FRS 136	Impairment of assets
FRS 138	Intangible assets
FRS 140	Investment property

The adoption of FRS 2, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136 and 138 does not have significant impact on the Group. The principal effects of changes in accounting policies resulting from the adoption of the other new/revised FRSs are stated below:

a) FRS 3 Business combinations

With effect from 1 March 2006, in accordance with FRS 3, if the Group’s fair value of the net assets acquired in a business exceeds the consideration paid (previously known as

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negative goodwill or reserve on consolidation), the excess is recognised immediately in the income statement.

Prior to 1 March 2006, reserve on consolidation arising from the acquisition of property development property companies is amortised to the consolidated income statement upon sale of the development properties. Reserve on consolidation arising from the acquisition of non-development property companies is amortised over its expected useful economic life of twenty-five (25) years.

In accordance with the transitional provisions of FRS 3, the reserve on consolidation as at 1 March 2006 of RM28,927,571 was derecognised with a corresponding increase in retained earnings.

	Balance as at 28.2.06 RM'000	Adjustments RM'000	Balance as at 1.3.06 RM'000
Reserve on consolidation	28,928	(28,928)	-
Retained earnings	35,976	28,928	64,904

The immediate effect of FRS 3 to the income statement is the reduction in the amortisation of reserve on consolidation amounting to RM553,729 per annum. This is due to the cessation of such amortisation arising from the acquisition of non-property companies. The effect of the cessation of such amortisation arises from the acquisition of property companies will depend on the speed of development of the relevant properties and will impact negatively on the future earnings.

b) FRS 101 Presentation of financial statements

The adoption of revised FRS 101 has affected the presentation of minority interest, share of net after tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the financial period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately, the amounts attributable to equity holders of the parents and to minority.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation where applicable.

c) FRS 140 Investment property

The adoption of FRS 140 has resulted in a change in accounting policy for investment properties. Properties held for rental or for capital appreciation or both are classified as investment properties. Investment properties are now stated at fair value, representing open-market value determined by external valuers or as assessed by directors. Gain or loss arising from changes in the fair values of investment properties are recognised in income statement.

EUPE CORPORATION BERHAD (377762-V)
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Prior to 1 March 2006, investment properties were stated using open-market value as the fair value. Gain or loss arising from changes in the open-market value is recognised as revaluation reserve in the balance sheet.

In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the difference between the carrying amounts of the properties and their fair values is recognised as an adjustment to the opening retained profits. The adoption of this FRS has not resulted in any significant impact on the financial statements as the cost of the investment properties which were based on valuation are comparable to the fair value of the investment properties as at 28 February 2006. Hence, no adjustment has been made.

2 Qualification of financial statement

There was no qualification in the audited financial statements for the year ended 28 February 2006.

3. Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

4 Items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter and/or financial year to-date.

5 Change in estimates

There were no changes in estimates reported in prior interim periods of the current financial year or prior financial year that have a material effect on the current financial year to-date.

6 Debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2006

7 Dividend paid

No dividend has been paid or declared during the current financial period-to-date.

8 Segmental information

	Revenue		Profit before taxation	
	<----- 9 months ended ----->			
	30.11.06	30.11.05	30.11.06	30.11.05
	RM'000	RM'000	RM'000	RM'000
Chalet and Golf Management	9,691	9,060	389	559
Property Development	82,175	38,830	7,366	1,892
Property Construction	86,925	43,758	3,303	1,640
Others	1,527	1,554	318	261
	180,318	93,202	11,376	4,352
Inter-segment elimination	(61,837)	(31,587)	(1,346)	(283)
	<u>118,481</u>	<u>61,615</u>	<u>10,030</u>	<u>4,069</u>

9 Revaluation of property, plant and machinery

The Group did not carry out any valuations on its property, plant and equipment.

10 Material events subsequent to balance sheet date

There is no material event that has not been reflected in the financial statements for the said period, made up to a date not earlier than 7 days from the date of the issuance of this quarterly report.

11 Changes in composition of the Group

On 30 August 2006, one of the wholly owned subsidiary, Eupe Golf Recreation & Tour Sdn Bhd ('EGRTSB'), had increased its issue and paid up capital from RM400,000.00 to RM2,500,000.00 by way of issuance of bonus shares. Consequently, the authorised capital of EGRTSB had on the same date increased to RM5,000,000.00.

Such increased in the issue and paid up capital of EGRTSB do not have any material effect on the net tangible assets or earnings of the Group for the financial period ended 31 August 2006.

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2006

12 Changes in contingent liabilities and contingent assets

The changes in contingent liabilities since the last annual balance sheet date made up to 30 November 2006 are as follows: -

	As at 28.2.2006 RM'000	Addition / (Deletion) RM'000	As at 30.11.2006 RM'000
Guarantees given to licensed banks for credit facilities utilised by the subsidiary companies	<u>20,673</u>	<u>1,866</u>	<u>22,539</u>
Guarantees given to suppliers for credit facilities utilised by the subsidiary companies	<u>308</u>	<u>389</u>	<u>697</u>
Total guarantees given for credit facilities available to the subsidiary companies	<u>61,940</u>	<u>10,500</u>	<u>72,440</u>

The provision of financial assistance to third parties will not have any financial impact on the Company unless its subsidiary companies default on payments.

13 Capital commitments

The amount of commitment for the acquisition of freehold land not provided for in the interim financial statements as at 30 November 2006 is as follows: -

	RM'000
Capital expenditure in respect of acquisition of freehold land contracted but not provided for	<u>13,312</u>

14 Acquisition and disposal of items of property, plant and equipment

During the financial period ended 30 November 2006, the Group made the following payments to purchase property, plant and equipment: -

	RM
Cash payment on purchase of property, plant and equipment	14,641,478
Finance by hire purchase arrangement	<u>-</u>
Purchase of property, plant and equipment	<u>14,641,478</u>

**EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2006**

Additional information required by the BMSB's Listing Requirements

1 Review of performance

The Group's turnover for the current quarter rose 42% to RM38.843 million compared to the previous year's corresponding quarter. As a result, the profit before tax rose by 54% to RM3.019 million. This is attributable to the improved speed of construction and strong sales figures of the property division.

2 Variance of results against preceding quarter

The Group's turnover for the current quarter increased 5% to RM38.843 million compared with RM36.9 million recorded in the preceding quarter. Profit before tax dropped marginally to RM3.019 million from RM3.048 million.

3 Current year / future prospects

The management is cautiously optimistic about the performance of the Group in the coming year in view of the strong take-up rate albeit in a rather soft market.

However, the management anticipates that the location of these projects as well as their developed surroundings will mitigate these risks. The new projects will be complemented by existing developments and enhanced facilities.

4 Profit forecast

This is not applicable as no profit forecast was published.

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NOTES TO THE FINANCIAL STATEMENTS
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5 Taxation

	CURRENT QUARTER Q3 30 NOV 2006 RM'000	PRECEDING QUARTER Q3 30 NOV 2005 RM'000	CURRENT YEAR TO DATE 30 NOV 2006 RM'000	PRECEDING YEAR TO DATE 30 NOV 2005 RM'000
Current year taxation	1,094	626	3,394	1,339
Real property gain tax	-	-	-	-
	1,094	626	3,394	1,339
Deferred taxation	(91)	(82)	(356)	(343)
	1,003	544	3,038	996
Under/(Over) provision in previous years	286	(14)	286	(14)
	1,289	530	3,324	982

The higher effective tax rate as compared to the statutory tax rate of 27% for the current quarter and financial period is due to disallowing of certain expenses for taxation purposes and unavailability of group relief losses incurred by certain subsidiaries.

6 Unquoted investments and properties

There was no sale of unquoted investments and / or properties for the current quarter under review and financial year to date.

7 Purchase or disposal of quoted investments

There was no sale of unquoted investments or properties of the Group for the current quarter under review.

8 Status of corporate proposal announced

There is no corporate proposal announced but not completed as at the date of this quarterly report.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2006

9 Borrowings and debt securities

	CURRENT FINANCIAL PERIOD END 30.11.2006 RM' 000	PRECEDING FINANCIAL YEAR END 28.2.2006 RM' 000
<u>Borrowings – unsecured</u>		
<u>Repayable within the next 12 months</u>		
Revolving credit	4,500	6,000
Bank overdraft	0	988
	<u>4,500</u>	<u>6,988</u>
 <u>Borrowings – secured</u>		
<u>Repayable within the next 12 months</u>		
Term loans	355	2,845
Bank overdraft	570	0
Hire purchase creditors	27	105
	<u>952</u>	<u>2,950</u>
 <u>Repayable after the next 12 months</u>		
Term loans	16,490	11,408
Hire purchase creditors	345	345
	<u>16,835</u>	<u>11,753</u>

The Group has no borrowing and debt securities denominated in foreign currency.

10 Off balance sheet financial instruments

The Group and Company have not issued any such instrument as at the date of this report.

11 Changes in material litigation

There is no material litigation which is not in the ordinary course of business as at the date of this report.

12 Dividend

The Directors do not propose the payment of any interim dividend for the current quarter and financial period.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2006

13 Earnings per share

Basic and diluted earnings per share

	<u>Current quarter</u>	<u>Year to-date</u>
	RM	RM
Net profit attributable to ordinary shareholders	1,730,261	6,706,553
Weighted average number of ordinary shares	128,000,000	128,000,000
Basic and diluted earnings per share (sen)	1.35	5.24