

EUPE CORPORATION BERHAD (377762-V)

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2007

		Individual Quarter		Cumulative Quarter	
		Current yr. Quarter	Preceding yr. Corresponding Quarter	Current yr. to date	Preceding yr. to date
		<u>28 FEB 2007</u> RM '000	<u>28 FEB 2006</u> RM '000	<u>28 FEB 2007</u> RM '000	<u>28 FEB 2006</u> RM '000
1.	Revenue	51,724	38,115	170,205	99,730
2.	Profit/(loss) before tax	4,827	2,363	14,857	6,432
3.	Profit/(loss) for the period	4,859	1,984	11,565	5,071
4.	Profit/(loss) attributable to ordinary equity holders of the parent	4,858	1,985	11,565	5,072
5.	Basic earnings/ (loss) per shares (sen)	3.80	1.55	9.04	3.96
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)	1.64	1.55

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Interim report for the financial year ended 28 February 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER (4th Q)		CUMULATIVE QUARTER (12 months)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	28/2/2007 RM'000	28/2/2006 RM'000	28/2/2007 RM'000	28/2/2006 RM'000
REVENUE	51,724	38,115	170,205	99,730
COST OF SALES	-43,517	-33,006	-143,729	-83,548
GROSS PROFIT	8,207	5,109	26,476	16,182
OTHER OPERATING INCOME	409	145	806	533
AMORTISATION OF RESERVE ON CONSOLIDATION	0	139	0	554
MARKETING AND DISTRIBUTION COSTS	-452	-534	-1,979	-1,629
ADMINISTRATION EXPENSES	-2,048	-1,828	-7,471	-6,815
OTHER OPERATING EXPENSES	-961	-425	-1,925	-1,331
FINANCIAL COST	-328	-243	-1,050	-1,062
SHARE OF RESULT OF AN ASSOCIATED COMPANY	0	0	0	0
PROFIT BEFORE TAXATION	4,827	2,363	14,857	6,432
TAXATION	32	-379	-3,292	-1,361
PROFIT FOR THE FINANCIAL PERIOD	4,859	1,984	11,565	5,071
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENTS	4,858	1,985	11,565	5,072
MINORITY INTEREST	1	-1	0	-1
	4,859	1,984	11,565	5,071
BASIC EARNINGS PER ORDINARY SHARE (SEN)	3.80	1.55	9.04	3.96
DILUTED EARNINGS PER ORDINARY SHARE (SEN)	3.80	1.55	9.04	3.96

(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 year ended 28 February 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF FORTH QUARTER 28/02/2007 RM'000	PRECEEDING FINANCIAL YEAR 28/02/2006 RM'000
ASSETS		
PROPERTY, PLANT AND EQUIPMENT	95,249	75,414
INVESTMENT IN AN ASSOCIATED COMPANY	-	25
OTHER INVESTMENTS	11	11
LAND HELD FOR PROPERTY DEVELOPMENT	106,270	112,058
INVESTMENT PROPERTIES	21,057	21,153
DEFERRED PLANTATION EXPENDITURES	1,109	997
NON-CURRENT ASSETS HELD FOR SALES	149	-
DEFERRED TAX ASSETS	461	56
CURRENT ASSETS		
Development properties	29,337	31,336
Inventories	11,837	15,184
Trade receivables	27,099	18,249
Other receivables, deposits and prepayments	2,170	1,698
Sinking and redemption funds	769	560
Tax recoverable	193	662
Fixed deposits with licensed banks	2,220	764
Cash and bank balances	4,391	7,474
	78,016	75,927
TOTAL ASSETS	302,322	285,641
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	82,451	70,886
	210,451	198,886
Minority interest	92	92
	210,543	198,978
LONG TERM AND DEFERRED LIABILITIES		
Term loans - secured	13,311	11,408
Hire purchase creditors	343	345
Deferred taxation	20,408	22,123
	34,062	33,876
CURRENT LIABILITIES		
Trade payables	16,750	10,028
Progress Billings	8,188	12,598
Other payables and accruals	16,604	19,621
Amount due to directors	148	152
Term loan	6,537	2,845
Revolving credit	5,500	6,000
Bank overdraft	2,003	988
Hire purchase liabilities	236	105
Provision for infrastructure cost	205	256
Taxation	1,546	194
	57,717	52,787
TOTAL EQUITY AND LIABILITIES	302,322	285,641
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	1.64	1.55

(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 year ended 28 February 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 MONTHS ENDED 30/11/06 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	157,995
Cash payments to suppliers and creditors	(122,299)
Cash payments to employees and for expenses	(17,207)
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Cash generated from operations	18,489
Interest income received	22
Interest expenses - overdraft	(39)
Rental income received	166
Deposit received/ (paid)	(165)
Tax paid	(3,591)
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Net cash from operating activities	14,882
CASH FLOWS FROM INVESTING ACTIVITIES	
Insurance claim received	42
Interest income	182
Proceeds from disposal of an associate company	30
Proceeds from disposal of property, plant & equipment	1
Purchase of property, plant and equipment	(17,954)
Acquisition of freehold land	(3,602)
Fixed deposits released from pledge / (pledge to licensed bank)	(524)
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Net cash used in investing activities	(21,825)
CASH FLOWS FROM FINANCING ACTIVITIES	
Advance from / (Repayment to) director	-
Drawdown of term loan	10,074
Drawdown of revolving credit	3,000
Repayment of term loan	(4,479)
Repayment of revolving credit	(3,500)
Repayment of hire purchase loan	(124)
Term loan interest paid	(1,161)
Revolving credit interest paid	(9)
Hire purchase interest paid	(24)
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Net cash used in financing activities	3,777
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Net increase in cash and cash equivalents	(3,166)
Cash and cash equivalents at beginning of financial year	6,757
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Cash and cash equivalents at end of financial period	3,591
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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 year ended 28 February 2007

(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	-	-	-	11,565	11,565	-	11,565
Balance as at 28 February 2007	<u>128,000</u>	<u>5,982</u>	<u>-</u>	<u>76,469</u>	<u>210,451</u>	<u>92</u>	<u>210,543</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 YEAR ENDED 28 FEBRUARY 2007

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 statements for the financial year ended 28 February 2006 except for the adoption of the following 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 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.

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
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7 Dividend paid

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

8 Segmental information

	Revenue		Profit before taxation	
	<----- 12 months ended ----->			
	28.2.07	28.2.06	28.2.07	28.2.06
	RM'000	RM'000	RM'000	RM'000
Chalet and Golf Management	14,595	12,733	991	1,318
Property Development	119,332	66,237	10,972	3,581
Property Construction	132,569	66,853	4,378	1,858
Others	4,898	7,033	3,240	5,343
	<u>271,394</u>	<u>152,856</u>	<u>19,581</u>	<u>12,100</u>
Inter-segment elimination	<u>(101,189)</u>	<u>(53,126)</u>	<u>(4,724)</u>	<u>(5,668)</u>
	<u><u>170,205</u></u>	<u><u>99,730</u></u>	<u><u>14,857</u></u>	<u><u>6,432</u></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 8 May 2006, one of the wholly owned subsidiary, Bukit Makmur Sdn Bhd ('BKM'), had disposed off 30,000 ordinary shares of RM1 each representing 30% stake in Integrated Manufacturing Center Management Sdn Bhd ('IMCM') to Cubic Solutions Sdn Bhd for a cash consideration of RM30,000. The carrying value of this investment is RM25,484 in Group after taking into consideration of the allowance for diminution in value of RM4,516 recognised as at 30 November 2006. Accordingly, the disposal result in a gain of RM4,516 at the Group level.

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

The changes in contingent liabilities since the last annual balance sheet date made up to 28 February 2007 are as follows: -

	As at 28.2.2006 RM'000	Addition / (Deletion) RM'000	As at 28.2.2007 RM'000
Guarantees given to licensed banks for credit facilities utilised by the subsidiary companies	<u>20,673</u>	<u>7,536</u>	<u>28,209</u>
Guarantees given to suppliers for credit facilities utilised by the subsidiary companies	<u>308</u>	<u>540</u>	<u>848</u>
Total guarantees given for credit facilities available to the subsidiary companies	<u><u>61,940</u></u>	<u><u>10,750</u></u>	<u><u>72,690</u></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 28 February 2007 as follows: -

	RM'000
Capital expenditure in respect of acquisition of freehold land contracted but not provided for	<u><u>11,125</u></u>

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

During the financial period ended 28 February 2007, the Group made the following payments to purchase property, plant and equipment: -

	RM
Cash payment on purchase of property, plant and equipment	17,954,090
Financed by hire purchase arrangement	<u>253,230</u>
Purchase of property, plant and equipment	<u><u>18,207,320</u></u>

**EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2007**

Additional information required by the BMSB's Listing Requirements

1 Review of performance

The expediting of construction and the control of construction cost, coupled with strong demand for the Group's township development, Seri Astana in Sungai Petani has yielded promising results. Group turnover and profit before tax increased by 35% and 104% to RM51.724 million and RM4.827 million respectively compared to the preceding year's corresponding quarter. Other contributing factors include the overall improvement in the performance of the Hotel and Golf Division.

2 Variance of results against preceding quarter

The Group's turnover and profit before tax for the current quarter increased 33% and 60% to RM51.724 million and RM4.827 million respectively as compared to the results recorded in the preceding quarter.

3 Current year / future prospects

The management is optimistic about the performance of the Group in the coming year albeit strong competition and a rather soft market. The management anticipates that the location of these projects as well as their developed surroundings will mitigate these risks. New projects on hand will be complemented by existing developments and enhanced facilities. Synergies from the Group's other divisions such as golf, resort and water park will be strategically utilized to add to the appeal of the projects.

4 Profit forecast

This is not applicable as no profit forecast was published.

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5 Taxation

	CURRENT QUARTER Q3 28 FEB 2007 RM'000	PRECEDING QUARTER Q3 28 FEB 2006 RM'000	CURRENT YEAR TO DATE 28 FEB 2007 RM'000	PRECEDING YEAR TO DATE 28 FEB 2006 RM'000
Current year taxation	1,727	706	5,121	2,045
Real property gain tax	-	-	-	-
	<hr/> 1,727	<hr/> 706	<hr/> 5,121	<hr/> 2,045
Deferred taxation	(1,764)	(327)	(2,120)	(670)
	<hr/> (37)	<hr/> 379	<hr/> 3,001	<hr/> 1,375
Under/(Over) provision in previous years	5	0	291	(14)
	<hr/> (32)	<hr/> 379	<hr/> 3,292	<hr/> 1,361

The lower effective tax rate as compared to the statutory tax rate of 27% for the current quarter and financial period is mainly due to the adjustment in the provision of deferred tax as a result of the reduction in the statutory tax rate by the government.

6 Unquoted investments and properties

Save as disclosed in Note 11, there were no sale of unquoted investments or properties during the financial year ended 28 February 2007.

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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9 Borrowings and debt securities

	CURRENT FINANCIAL PERIOD END 28.2.2007 RM' 000	PRECEDING FINANCIAL YEAR END 28.2.2006 RM' 000
<u>Borrowings – unsecured</u>		
<u>Repayable within the next 12 months</u>		
Term loans	802	0
Revolving credit	5,500	6,000
Bank overdraft	874	988
	7,176	6,988
 <u>Repayable after the next 12 months</u>		
Term loans	1,500	0
	1,500	0
 <u>Borrowings – secured</u>		
<u>Repayable within the next 12 months</u>		
Term loans	5,735	2,845
Bank overdraft	1,129	0
Hire purchase creditors	236	105
	7,100	2,950
 <u>Repayable after the next 12 months</u>		
Term loans	11,811	11,408
Hire purchase creditors	343	345
	12,154	11,753

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
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13 Earnings per share

Basic and diluted earnings per share

	<u>Current quarter</u>	<u>Year to-date</u>
	<u>RM</u>	<u>RM</u>
Net profit attributable to ordinary shareholders	4,858,176	11,564,729
Weighted average number of ordinary shares	128,000,000	128,000,000
Basic and diluted earnings per share (sen)	3.80	9.04