

EUPE CORPORATION BERHAD (377762-V)

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

		Individual Quarter		Cumulative Quarter	
		Current yr. Quarter <u>31 MAY 2007</u> RM '000	Preceding yr. Corresponding Quarter <u>31 MAY 2006</u> RM '000	Current yr. to date <u>31 MAY 2007</u> RM '000	Preceding yr. to date <u>31 MAY 2006</u> RM '000
1.	Revenue	42,204	42,738	42,204	42,738
2.	Profit/(loss) before tax	4,641	3,964	4,641	3,964
3.	Profit/(loss) for the period	3,196	2,928	3,196	2,928
4.	Profit/(loss) attributable to ordinary equity holders of the parent	3,193	2,929	3,193	2,928
5.	Basic earnings/ (loss) per shares (sen)	2.49	2.29	2.49	2.29
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)	1.67	1.64

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 May 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER (1st Q)		CUMULATIVE QUARTER (3 months)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31/5/2007 RM'000	31/5/2006 RM'000	31/5/2007 RM'000	31/5/2006 RM'000
REVENUE	42,204	42,738	42,204	42,738
COST OF SALES	-34,746	-36,170	-34,746	-36,170
GROSS PROFIT	7,458	6,568	7,458	6,568
OTHER OPERATING INCOME	290	155	290	155
AMORTISATION OF RESERVE ON CONSOLIDATION	0	0	0	0
MARKETING AND DISTRIBUTION COSTS	-410	-487	-410	-487
ADMINISTRATION EXPENSES	-2,001	-1,761	-2,001	-1,761
OTHER OPERATING EXPENSES	-308	-265	-308	-265
FINANCIAL COST	-388	-246	-388	-246
SHARE OF RESULT OF AN ASSOCIATED COMPANY	0	0	0	0
PROFIT BEFORE TAXATION	4,641	3,964	4,641	3,964
TAXATION	-1,445	-1,036	-1,445	-1,036
PROFIT FOR THE FINANCIAL PERIOD	3,196	2,928	3,196	2,928
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENTS	3,193	2,929	3,193	2,928
MINORITY INTEREST	3	-1	3	0
	3,196	2,928	3,196	2,928
BASIC EARNINGS PER ORDINARY SHARE (SEN)	2.50	2.29	2.50	2.29
DILUTED EARNINGS PER ORDINARY SHARE (SEN)	2.50	2.29	2.50	2.29

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2007 and the accompanying explanatory notes attached to the financial statement)

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 May 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF FIRST QUARTER 31/5/2007 RM'000	PRECEDING FINANCIAL YEAR 28/02/2007 RM'000
ASSETS		
PROPERTY, PLANT AND EQUIPMENT	63,536	63,506
PREPAID LAND LEASE PAYMENTS	31,707	31,892
OTHER INVESTMENTS	11	11
LAND HELD FOR PROPERTY DEVELOPMENT	107,260	106,270
INVESTMENT PROPERTIES	21,057	21,057
DEFERRED PLANTATION EXPENDITURES	1,129	1,109
DEFERRED TAX ASSETS	461	461
CURRENT ASSETS		
Property development costs	28,536	29,335
Inventories	11,655	11,838
Trade receivables	19,568	27,103
Other receivables, deposits and prepayments	2,180	2,163
Sinking and redemption funds	787	769
Tax recoverable	196	194
Fixed deposits with licensed banks	2,269	2,220
Cash and bank balances	12,609	4,391
	<u>77,800</u>	<u>78,013</u>
TOTAL ASSETS	<u><u>302,961</u></u>	<u><u>302,319</u></u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	85,646	82,453
	<u>213,646</u>	<u>210,453</u>
Minority interest	95	92
	<u>213,741</u>	<u>210,545</u>
LONG TERM AND DEFERRED LIABILITIES		
Term loans - secured	13,605	13,311
Hire purchase creditors	343	343
Deferred taxation	20,308	20,408
	<u>34,256</u>	<u>34,062</u>
CURRENT LIABILITIES		
Trade payables	16,097	16,754
Progress Billings	8,909	8,187
Other payables and accruals	17,407	16,596
Amount due to directors	180	148
Term loan	5,134	6,537
Revolving credit	2,800	5,500
Bank overdraft	1,866	2,003
Hire purchase liabilities	172	236
Provision for infrastructure cost	205	205
Taxation	2,194	1,546
	<u>54,964</u>	<u>57,712</u>
TOTAL EQUITY AND LIABILITIES	<u><u>302,961</u></u>	<u><u>302,319</u></u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	<u>1.67</u>	<u>1.64</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2007 and the accompanying explanatory notes attached to the financial statement)

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 May 2007

(The figures have not been audited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 MONTHS ENDED 31/05/2007 RM'000	3 MONTHS ENDED 31/05/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	50,534	41,874
Cash payments to suppliers and creditors	(30,636)	(30,199)
Cash payments to employees and for expenses	(5,617)	(4,292)
	<hr/>	<hr/>
Cash generated from operations	14,281	7,383
Interest income received	10	8
Interest expenses - overdraft	(26)	(2)
Rental income received	42	35
Deposit received/ (paid)	(8)	(13)
Tax paid	(897)	(352)
	<hr/>	<hr/>
Net cash from operating activities	13,402	7,059
CASH FLOWS FROM INVESTING ACTIVITIES		
Insurance claim received	-	16
Interest income	66	49
Proceeds from disposal of an associate company	-	30
Purchase of property, plant and equipment	(788)	(1,069)
Acquisition of freehold land	-	(3,602)
Fixed deposits released from pledge / (pledge to licensed bank)	(45)	(41)
	<hr/>	<hr/>
Net cash used in investing activities	(767)	(4,617)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	293	-
Repayment of term loan	(1,403)	(765)
Repayment of revolving credit	(2,700)	(500)
Repayment of hire purchase loan	(64)	(26)
Term loan interest paid	(387)	(286)
Revolving credit interest paid	(9)	-
Hire purchase interest paid	(6)	(5)
	<hr/>	<hr/>
Net cash used in financing activities	(4,276)	(1,582)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	8,359	860
Cash and cash equivalents at beginning of financial year	3,591	6,757
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	11,950	7,617
	<hr/> <hr/>	<hr/> <hr/>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2007 and the accompanying explanatory notes attached to the financial statement)

EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 May 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 2007	128,000	5,982	-	76,471	210,453	92	210,545
Net profit for the financial period	-	-	-	3,193	3,193	3	3,196
Balance as at 31 May 2007	<u>128,000</u>	<u>5,982</u>	<u>-</u>	<u>79,664</u>	<u>213,646</u>	<u>95</u>	<u>213,741</u>
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	<u>128,000</u>	<u>5,982</u>	<u>-</u>	<u>64,904</u>	<u>198,886</u>	<u>92</u>	<u>198,978</u>
Net profit for the financial period	-	-	-	2,928	2,928	-	2,928
Balance as at 31 May 2006	<u>128,000</u>	<u>5,982</u>	<u>-</u>	<u>67,832</u>	<u>201,814</u>	<u>92</u>	<u>201,906</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2007 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 31 MAY 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 2007.

The accounting policies and methods of computation adopted by the Group in these financial statements are consistent with those in the financial statements for the year ended 28 February 2007 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 February 2007.

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Lease
FRS 124	Related Party Disclosures
Amendment to FRS 119 ₂₀₀₄	Employee Benefits- Actuarial Gain and Losses, Group plans and disclosure

The FRS 6 is not relevant to the Group’s operations.

The adoption of FRS 124 and Amendment to FRS 119₂₀₀₄ does not have significant impact on the Group. The principal effects of changes in accounting policies resulting from the adoption of FRS 117 is as follows:

FRS 117 Leases

Prior to 1 March 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of lease of land and buildings. Lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. Leasehold land is now classified as operating lease, the minimum lease payments or the upfront payments made are allocated between the land and buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The upfront payments represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

Upon adoption of the revised FRS 117 on 1 March 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. There were no effects on the consolidated income statement for the current year to date. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and certain comparatives have been restated as shown below:

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

	As previously stated RM'000	Effect of FRS 117 RM'000	As restated RM'000
Consolidated Balance Sheet as at 31 May 2007			
Property, plant and equipment	95,243	(31,707)	63,536
Prepaid land lease payments	-	31,707	31,707
Consolidated Balance Sheet as at 28 February 2007			
Property, plant and equipment	95,398	(31,892)	63,506
Prepaid land lease payments	-	31,892	31,892

2 Qualification of financial statement

There was no qualification in the audited financial statements for the year ended 28 February 2007.

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.

7 Dividend paid

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

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

8 Segmental information

	Revenue		Profit before taxation	
	<----- 3 months ended ----->			
	31.5.07	31.5.06	31.5.07	31.5.06
	RM'000	RM'000	RM'000	RM'000
Chalet and Golf Management	4,600	3,443	105	172
Property Development	30,402	30,204	3,247	2,981
Property Construction	27,615	30,888	1,736	1,158
Others	462	549	(72)	103
	<u>63,079</u>	<u>65,084</u>	<u>5,016</u>	<u>4,414</u>
Inter-segment elimination	<u>(20,875)</u>	<u>(22,346)</u>	<u>(375)</u>	<u>(450)</u>
	<u>42,204</u>	<u>42,738</u>	<u>4,641</u>	<u>3,964</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

There was no change in the composition of the Group for the current quarter.

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

12 Changes in contingent liabilities and contingent assets

The changes in contingent liabilities since the last annual balance sheet date made up to 31 May 2007 are as follows: -

	As at 28.2.2007 RM'000	Addition / (Deletion) RM'000	As at 31.5.2007 RM'000
Guarantees given to licensed banks for credit facilities utilised by the subsidiary companies	<u>28,209</u>	<u>(3,931)</u>	<u>24,278</u>
Guarantees given to suppliers for credit facilities utilised by the subsidiary companies	<u>848</u>	<u>208</u>	<u>1,056</u>
Total guarantees given for credit facilities available to the subsidiary companies	<u><u>72,690</u></u>	<u><u>-</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 31 May 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 31 May 2007, the Group made the following payments to purchase property, plant and equipment: -

	RM
Cash payment on purchase of property, plant and equipment	787,824
Financed by hire purchase arrangement	<u>-</u>
Purchase of property, plant and equipment	<u><u>787,824</u></u>

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

Additional information required by the BMSB's Listing Requirements

1 Review of performance

The Group's turnover for the current quarter maintained at RM42 million as compared to the previous year's corresponding quarter. However, the Group's profit before tax increased by 17% to RM4.64 million due to the higher margins realized by the property and construction divisions as a result of the launching of higher end homes and the improved speed of construction. Our hedging against price increases in construction material also helped cushion the effects of the price hike.

2 Variance of results against preceding quarter

The Group's turnover slid 18% to RM42 million but profit before tax maintained at RM4.64 million compared to the results recorded in the preceding quarter.

3 Current year / future prospects

The management is generally optimistic about the current year as the share market and consumer sentiment appear to have picked up; reflecting improved confidence levels. The government has also introduced measures to boost the property sector such as the exemption of Real Property Gains Tax (RPGT) and the implementation of the Malaysia My Second Home (MM2H) programme to encourage foreign purchase. This, together with the salary increments awarded to government employees should give the sector a much needed boost and mitigate the effects of rising interest rates, high oil prices and the increasing cost of building materials.

4 Profit forecast

This is not applicable as no profit forecast was published.

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

5 Taxation

	CURRENT QUARTER Q1 31 MAY 2007 RM'000	PRECEDING QUARTER Q1 31 MAY 2006 RM'000	CURRENT YEAR TO DATE 31 MAY 2007 RM'000	PRECEDING YEAR TO DATE 31 MAY 2006 RM'000
Current year taxation	1,543	1,159	1,543	1,159
Real property gain tax	-	-	-	-
	<hr/> 1,543	<hr/> 1,159	<hr/> 1,543	<hr/> 1,159
Deferred taxation	(98)	(123)	(98)	(123)
	<hr/> 1,445	<hr/> 1,036	<hr/> 1,445	<hr/> 1,036
Under/(Over) provision in previous years	-	-	-	-
	<hr/> 1,445	<hr/> 1,036	<hr/> 1,445	<hr/> 1,036

The higher effective tax rate as compared to the statutory tax rate of 26% for the current quarter and financial period is mainly due to disallowing of certain expenses for taxation purposes and unavailability of group relief losses incurred by certain subsidiaries.

6 Purchase or disposal of unquoted investments and properties

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

7 Purchase or disposal of quoted investments and properties

There was no sale of quoted investments and properties of the Group for the current quarter under review and financial year to date.

8 Status of corporate proposal announced

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

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

9 Borrowings and debt securities

	CURRENT FINANCIAL YEAR END 31.5.2007 RM' 000	PRECEDING FINANCIAL YEAR END 28.2.2007 RM' 000
<u>Borrowings – unsecured</u>		
<u>Repayable within the next 12 months</u>		
Term loans	821	802
Revolving credit	2,800	5,500
Bank overdraft	1,866	874
	<hr/> 5,487	<hr/> 7,176
 <u>Repayable after the next 12 months</u>		
Term loans	<hr/> 1,780	<hr/> 1,500
 <u>Borrowings – secured</u>		
<u>Repayable within the next 12 months</u>		
Term loans	4,313	5,735
Bank overdraft	-	1,129
Hire purchase creditors	172	236
	<hr/> 4,485	<hr/> 7,100
 <u>Repayable after the next 12 months</u>		
Term loans	11,825	11,811
Hire purchase creditors	343	343
	<hr/> 12,168	<hr/> 12,154

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.

EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2007

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	3,193,406	3,193,406
Weighted average number of ordinary shares	128,000,000	128,000,000
Basic and diluted earnings per share (sen)	2.49	2.49