

# EUPE CORPORATION BERHAD (377762-V)

## PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION

### SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2008

		Individual Quarter		Cumulative Quarter	
		Current yr. Quarter	Preceding yr. Corresponding Quarter	Current yr. to date	Preceding yr. to date
		<u>31 AUG 2008</u> RM '000	<u>31 AUG 2007</u> RM '000	<u>31 AUG 2008</u> RM '000	<u>31 AUG 2007</u> RM '000
1.	Revenue	31,963	34,687	68,909	76,891
2.	Profit/(loss) before tax	1,992	4,574	4,755	9,215
3.	Profit/(loss) for the period	894	2,794	2,744	5,990
4.	Profit/(loss) attributable to ordinary equity holders of the parent	895	2,801	2,744	5,994
5.	Basic earnings/ (loss) per shares (sen)	0.70	2.19	2.14	4.68
6.	Proposed/declared dividend per share (sen)	0	0	0	0

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

# EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 August 2008

(The figures have not been audited)

## CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER (2nd Q)		CUMULATIVE QUARTER (6 months)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31/8/2008 RM'000	31/8/2007 RM'000	31/8/2008 RM'000	31/8/2007 RM'000
REVENUE	31,963	34,687	68,909	76,891
COST OF SALES	-25,743	-25,790	-56,479	-60,536
GROSS PROFIT	6,220	8,897	12,430	16,355
OTHER OPERATING INCOME	448	271	616	561
AMORTISATION OF RESERVE ON CONSOLIDATION	0	0	0	0
MARKETING AND DISTRIBUTION COSTS	-395	-331	-843	-741
ADMINISTRATION EXPENSES	-2,350	-2,445	-4,311	-4,446
OTHER OPERATING EXPENSES	-1,368	-1,451	-2,099	-1,759
FINANCIAL COST	-563	-367	-1,038	-755
SHARE OF RESULT OF AN ASSOCIATED COMPANY	0	0	0	0
PROFIT BEFORE TAXATION	1,992	4,574	4,755	9,215
TAXATION	-1,098	-1,780	-2,012	-3,225
PROFIT FOR THE FINANCIAL PERIOD	894	2,794	2,743	5,990
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENTS	895	2,801	2,744	5,994
MINORITY INTEREST	0	-7	0	-4
	894	2,794	2,744	5,990
BASIC EARNINGS PER ORDINARY SHARE (SEN)	0.70	2.18	2.14	4.68
DILUTED EARNINGS PER ORDINARY SHARE (SEN)	0.70	2.18	2.14	4.68

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2008 and the accompanying explanatory notes attached to the financial statement)

# EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 August 2008

(The figures have not been audited)

## CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT END OF FIRST QUARTER 31/8/2008 RM'000	PRECEDING FINANCIAL YEAR 29/2/2008 RM'000
<b><u>ASSETS</u></b>		
PROPERTY, PLANT AND EQUIPMENT	55,873	57,096
PREPAID LAND LEASE PAYMENTS	30,781	31,152
OTHER INVESTMENTS	11	11
LAND HELD FOR PROPERTY DEVELOPMENT	109,351	136,060
INVESTMENT PROPERTIES	21,057	21,057
DEFERRED PLANTATION EXPENDITURES	1,092	1,154
DEFERRED TAX ASSETS	1,880	1,880
CURRENT ASSETS		
Property development costs	60,445	24,698
Inventories	11,332	11,475
Trade and other receivables	24,650	27,088
Sinking and redemption funds	833	886
Tax recoverable	1,595	836
Cash and bank balances	6,906	11,102
	<u>105,761</u>	<u>76,085</u>
<b>TOTAL ASSETS</b>	<b><u>325,806</u></b>	<b><u>324,495</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	101,859	98,279
	<u>229,859</u>	<u>226,279</u>
Minority interest	-	-
	<u>229,859</u>	<u>226,279</u>
LONG TERM AND DEFERRED LIABILITIES		
Borrowings	15,275	7,747
Deferred taxation	18,444	18,614
	<u>33,719</u>	<u>26,361</u>
CURRENT LIABILITIES		
Trade and other payables	43,816	51,535
Provision for infrastructure cost	2,909	4,100
Borrowings	14,525	15,143
Tax liabilities	978	1,077
	<u>62,228</u>	<u>71,855</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>325,806</u></b>	<b><u>324,495</u></b>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	<u>1.80</u>	<u>1.77</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2008 and the accompanying explanatory notes attached to the financial statement)

# EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 August 2008

(The figures have not been audited)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	6 MONTHS ENDED 31/8/2008 RM'000	6 MONTHS ENDED 31/8/2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	75,522	89,662
Cash payments to suppliers and creditors	(60,774)	(57,726)
Cash payments to employees and for expenses	(10,035)	(11,459)
	<hr/>	<hr/>
Cash generated from operations	4,713	20,477
Interest income received	-	24
Interest expenses - overdraft	(48)	(53)
Rental income received	135	103
Deposit received/(paid)	(79)	10
Insurance compensation received	151	-
Tax paid/(refund)	(3,040)	(1,814)
	<hr/>	<hr/>
Net cash from operating activities	1,832	18,747
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	107	152
Insurance compensation received	-	80
Purchase of property, plant and equipment	(617)	(1,115)
Acquisition of freehold land	(11,475)	-
Fixed deposits released from pledge / (pledge to licensed bank)	385	(45)
	<hr/>	<hr/>
Net cash used in investing activities	(11,600)	(928)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	8,776	423
Drawdown of revolving credit	-	1,000
Net creation of bankers' acceptance	726	208
Repayment of term loan	(3,186)	(2,645)
Repayment of revolving credit	-	(3,500)
Repayment of hire purchase loan	(121)	(123)
Term loan interest paid	(794)	(754)
Revolving credit interest paid	(57)	(9)
Bankers' acceptance - discount	(94)	(2)
Hire purchase interest paid	(9)	(12)
	<hr/>	<hr/>
Net cash used in financing activities	5,241	(5,414)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	(4,527)	12,405
Cash and cash equivalents at beginning of financial year	8,034	3,591
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	3,507	15,996
	<hr/> <hr/>	<hr/> <hr/>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2008 and the accompanying explanatory notes attached to the financial statement)

## EUPE CORPORATION BERHAD (377762-V)

Interim report for the financial period ended 31 August 2008  
(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	Share option reserve	Retained profits	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000		
Balance as at 1 March 2008	128,000	5,982	1,377	90,920	226,279	-	226,279
Share option granted under ESOS	-	-	837	-	837	-	837
Net profit for the financial period	-	-	-	2,743	2,743	-	2,743
Balance as at 31 August 2008	<u>128,000</u>	<u>5,982</u>	<u>2,214</u>	<u>93,663</u>	<u>229,859</u>	<u>-</u>	<u>229,859</u>
Balance as at 1 March 2007	128,000	5,982	-	76,471	210,453	92	210,545
Share option granted under ESOS	-	-	1,377	-	1,377	-	1,377
Net profit for the financial period	-	-	-	5,994	5,994	(4)	5,990
Balance as at 31 August 2007	<u>128,000</u>	<u>5,982</u>	<u>1,377</u>	<u>82,465</u>	<u>217,824</u>	<u>88</u>	<u>217,912</u>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2008 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 AUGUST 2008**

**1 Basis of preparation**

The financial statements are unaudited and have been prepared in accordance with FRS 134<sub>2004</sub>, 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 29 February 2008.

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 29 February 2008 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 March 2008.

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets

The Group has not adopted FRS 139, Financial Instruments: Recognition and Measurement which the effective date has yet to be announced.

The adoption of the above FRSs does not have significant financial impact on the accounting policies of the Group.

**2 Qualification of financial statement**

There was no qualification in the audited financial statements for the year ended 29 February 2008.

**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.

**EUPE CORPORATION BERHAD (377762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2008**

**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.

**8 Segmental information**

	Revenue		Profit before taxation	
	<----- 6 months ended ----->			
	31.8.08	31.8.07	31.8.08	31.8.07
	RM'000	RM'000	RM'000	RM'000
Chalet and Golf Management	8,415	8,874	(1,018)	(479)
Property Development	44,783	55,456	4,847	6,228
Property Construction	57,110	52,690	1,699	4,507
Others	989	902	(313)	(262)
	<u>111,297</u>	<u>117,922</u>	<u>5,215</u>	<u>9,994</u>
Inter-segment elimination	<u>(42,388)</u>	<u>(41,031)</u>	<u>(460)</u>	<u>(779)</u>
	<u><u>68,909</u></u>	<u><u>76,891</u></u>	<u><u>4,755</u></u>	<u><u>9,215</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**

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 AUGUST 2008**

**12 Changes in contingent liabilities and contingent assets**

The changes in contingent liabilities since the last annual balance sheet date made up to 31 August 2008 are as follows: -

	<b>As at 1.3.2008 RM'000</b>	<b>Addition / (Deletion) RM'000</b>	<b>As at 31.8.2008 RM'000</b>
Guarantees given to licensed banks for credit facilities utilised by the subsidiary companies	<u>23,134</u>	<u>6,968</u>	<u>30,102</u>
Guarantees given to suppliers for credit facilities utilised by the subsidiary companies	<u>861</u>	<u>(342)</u>	<u>519</u>
Total guarantees given for credit facilities available to the subsidiary companies	<u>68,190</u>	<u>(500)</u>	<u>67,690</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**

There is no capital commitment as at the date of this report.

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

During the financial period ended 31 August 2008, the Group made the following payments to purchase property, plant and equipment: -

Cash payment on purchase of property, plant and equipment	<b>RM</b> 617,185
Financed by hire purchase arrangement	<u>-</u>
Purchase of property, plant and equipment	<u>617,185</u>



**EUPE CORPORATION BERHAD (377762-V)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2008**

**Additional information required by the BMSB's Listing Requirements**

**1 Review of performance**

The revenue recorded in Q2 2009 decreased by 8% to RM31,963 million as compared to Q2 2008. Correspondingly, the profit before tax dropped by 56% to RM1.992 million. Reasons for this include material price hikes, a deliberate delay in project launches and increased provisions for projects under construction in anticipation of the confidence crisis affecting financial institutions.

**2 Variance of results against preceding quarter**

The Group's turnover for the current quarter decreased by 13% to RM31,963 million as compared with RM36.946 million recorded in the preceding quarter. Profit before tax dipped by 28% to RM1.992 million. The US credit crunch which led to the shock collapse of several financial institutions severely undermined confidence despite the proliferation of fiscal guarantees. As a result, most people are adopting a wait-and-see attitude and putting purchases on hold.

**3 Current year / future prospects**

The coming year is expected to be uncertain for the industry. Although governments in most countries have intervened to restore confidence in the financial institutions, the results remain to be seen. Currently, due to the uncertainty in the financial and job market, consumers are holding back. We will monitor the situation before embarking on major launches.

**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 AUGUST 2008**

**5 Taxation**

	<b>CURRENT QUARTER Q2 31 AUG 2008 RM'000</b>	<b>PRECEDING QUARTER Q2 31 AUG 2007 RM'000</b>	<b>CURRENT YEAR TO DATE 31 AUG 2008 RM'000</b>	<b>PRECEDING YEAR TO DATE 31 AUG 2007 RM'000</b>
Current year taxation	1,174	1,887	2,182	3,430
Real property gain tax	-	-	-	-
	<hr/> 1,174	<hr/> 1,887	<hr/> 2,182	<hr/> 3,430
Deferred taxation	(76)	(107)	(170)	(205)
	<hr/> 1,098	<hr/> 1,780	<hr/> 2,012	<hr/> 3,225
Under/(Over) provision in previous years	-	-	-	-
	<hr/> 1,098	<hr/> 1,780	<hr/> 2,012	<hr/> 3,225

The higher effective tax rate as compared to the statutory tax rate of 25% for the current year to date and preceding year to date is mainly due to the unavailability of group relief losses incurred by certain subsidiaries and disallowing of certain expenses for taxation purposes.

**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**

The shareholders at the Company's Annual General Meeting on 25 August 2008 approved the Proposed Share Buy-Back.

**EUPE CORPORATION BERHAD (377762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2008**

**9 Borrowings and debt securities**

	<b>CURRENT FINANCIAL YEAR END 31.8.2008 RM' 000</b>	<b>PRECEDING FINANCIAL YEAR END 29.2.2008 RM' 000</b>
<b><u>Borrowings – unsecured</u></b>		
<u>Repayable within the next 12 months</u>		
Term loans	1,735	1,744
Revolving credit	3,500	3,500
Bankers' acceptance	2,970	2,244
Bank overdraft	662	197
	<hr/> 8,867	<hr/> 7,685
 <u>Repayable after the next 12 months</u>		
Term loans	<hr/> 1,255	<hr/> 1,080
 <b><u>Borrowings – secured</u></b>		
<u>Repayable within the next 12 months</u>		
Term loans	3,489	5,430
Bank overdraft	2,065	1,814
Hire purchase creditors	104	213
	<hr/> 5,658	<hr/> 7,457
 <u>Repayable after the next 12 months</u>		
Term loans	13,908	6,555
Hire purchase creditors	112	112
	<hr/> 14,020	<hr/> 6,667

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 AUGUST 2008**

**13 Earnings per share**

*Basic earnings per share*

	<u>Current quarter</u>	<u>Year to-date</u>
	<u>RM</u>	<u>RM</u>
Net profit attributable to ordinary shareholders	894,615	2,743,437
Weighted average number of ordinary shares	128,000,000	128,000,000
Basic earnings per share (sen)	0.70	2.14

*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	894,615	2,743,437
Weighted average number of ordinary shares	128,000,000	128,000,000
Diluted earnings per share (sen)	0.70	2.14