

**EUPE CORPORATION BERHAD (377762-V)****PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION****SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2009**

		Individual Quarter		Cumulative Quarter	
		Current yr. Quarter	Preceding yr. Corresponding Quarter	Current yr. to date	Preceding yr. to date
		<u>31 AUG 2009</u> RM '000	<u>31 AUG 2008</u> RM '000	<u>31 AUG 2009</u> RM '000	<u>31 AUG 2008</u> RM '000
1.	Revenue	24,725	31,963	49,071	68,909
2.	Profit/(loss) before tax	1,755	1,992	2,614	4,755
3.	Profit/(loss) for the period	1,005	894	1,237	2,743
4.	Profit/(loss) attributable to ordinary equity holders of the parent	337	894	400	2,743
5.	Basic earnings/ (loss) per shares (sen)	0.26	0.70	0.31	2.14
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)

**Interim report for the financial period ended 31 August 2009**

(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
	31/8/2009 RM'000	31/8/2008 RM'000	31/8/2009 RM'000	31/8/2008 RM'000
REVENUE	24,725	31,963	49,071	68,909
COST OF SALES	-20,193	-25,743	-40,523	-56,479
GROSS PROFIT	4,532	6,220	8,548	12,430
OTHER OPERATING INCOME	263	448	421	616
AMORTISATION OF RESERVE ON CONSOLIDATION	0	0	0	0
MARKETING AND DISTRIBUTION COSTS	-310	-395	-635	-843
ADMINISTRATION EXPENSES	-1,889	-2,350	-4,041	-4,311
OTHER OPERATING EXPENSES	-529	-1,368	-1,016	-2,099
FINANCIAL COST	-312	-563	-663	-1,038
SHARE OF RESULT OF AN ASSOCIATED COMPANY	0	0	0	0
PROFIT BEFORE TAXATION	1,755	1,992	2,614	4,755
TAXATION	-750	-1,098	-1,377	-2,012
PROFIT FOR THE FINANCIAL PERIOD	1,005	894	1,237	2,743
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENTS	337	894	400	2,743
MINORITY INTEREST	668	0	837	0
	1,005	894	1,237	2,743
BASIC EARNINGS PER ORDINARY SHARE (SEN)	0.26	0.70	0.31	2.14
DILUTED EARNINGS PER ORDINARY SHARE (SEN)	0.26	0.70	0.31	2.14

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2009 and the accompanying explanatory notes attached to the financial statement)

**Interim report for the financial period ended 31 August 2009**

(The figures have not been audited)

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	AS AT END OF SECOND QUARTER 31/8/2009 RM'000	PRECEEDING FINANCIAL YEAR 28/2/2009 RM'000
<b><u>ASSETS</u></b>		
PROPERTY, PLANT AND EQUIPMENT	53,465	54,794
PREPAID LAND LEASE PAYMENTS	30,040	30,411
OTHER INVESTMENTS	154	153
LAND HELD FOR PROPERTY DEVELOPMENT	92,604	111,198
INVESTMENT PROPERTIES	21,057	21,057
DEFERRED PLANTATION EXPENDITURES	967	1,029
DEFERRED TAX ASSETS	1,750	1,750
CURRENT ASSETS		
Property development costs	86,613	63,987
Inventories	10,068	10,325
Trade and other receivables	16,262	17,890
Sinking and redemption funds	832	803
Tax recoverable	3,949	2,879
Cash and bank balances	6,765	9,693
	<u>124,489</u>	<u>105,577</u>
<b>TOTAL ASSETS</b>	<b><u>324,526</u></b>	<b><u>325,969</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	104,202	103,707
	<u>232,202</u>	<u>231,707</u>
Minority interest	950	113
	<u>233,152</u>	<u>231,820</u>
LONG TERM AND DEFERRED LIABILITIES		
Borrowings	8,875	8,875
Deferred taxation	18,108	18,258
	<u>26,983</u>	<u>27,133</u>
CURRENT LIABILITIES		
Trade and other payables	43,486	43,940
Provision for infrastructure cost	1,975	2,175
Borrowings	18,167	20,842
Tax liabilities	763	59
	<u>64,391</u>	<u>67,016</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>324,526</u></b>	<b><u>325,969</u></b>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	<u>1.81</u>	<u>1.81</u>

**(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2009 and the accompanying explanatory notes attached to the financial statement)**

**EUPE CORPORATION BERHAD (377762-V)****Interim report for the financial period ended 31 August 2009**

(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>6 MONTHS ENDED 31/8/2009 RM'000</b>	<b>6 MONTHS ENDED 31/08/2008 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	53,037	75,522
Cash payments to suppliers and creditors	(41,764)	(60,774)
Cash payments to employees and for expenses	(8,660)	(10,035)
	<hr/>	<hr/>
Cash generated from operations	2,613	4,713
Interest expenses - overdraft	(76)	(48)
Rental income received	128	135
Deposit received/(paid)	(3)	(79)
Insurance compensation received	6	151
Tax paid	(1,893)	(3,040)
	<hr/>	<hr/>
Net cash from operating activities	775	1,832
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	70	107
Dividend received	1	-
Purchase of property, plant and equipment	(371)	(617)
Proceed from disposal of property, plant and equipment	1	-
Acquisition of freehold land	-	(11,475)
Other investment	(1)	-
Fixed deposits released from pledge / (pledge to licensed bank)	(91)	385
	<hr/>	<hr/>
Net cash used in investing activities	(391)	(11,600)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	-	8,776
Drawdown of revolving credit	1,900	-
Net creation of bankers' acceptance	(1,057)	726
Repayment of term loan	(3,675)	(3,186)
Repayment of hire purchase loan	(61)	(121)
Term loan interest paid	(523)	(794)
Revolving credit interest paid	(135)	(57)
Discount paid on bankers' acceptance	(59)	(94)
Hire purchase interest paid	(2)	(9)
Repayment to director	(9)	-
	<hr/>	<hr/>
Net cash used in financing activities	(3,621)	5,241
	<hr/>	<hr/>
Net increase in cash and cash equivalents	(3,237)	(4,527)
Cash and cash equivalents at beginning of financial year	6,711	8,034
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	3,474	3,507
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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 2009 and the accompanying explanatory notes attached to the financial statement)**

Interim report for the financial period ended 31 August 2009  
(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 2009	128,000	5,982	1,914	95,811	231,707	113	231,820
Share option granted under ESOS	-	-	95	-	95	-	95
Net profit/(loss) for the financial period	-	-	-	400	400	837	1,237
Balance as at 31 August 2009	<u>128,000</u>	<u>5,982</u>	<u>2,009</u>	<u>96,211</u>	<u>232,202</u>	<u>950</u>	<u>233,152</u>
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>

(The Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2009 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 2009**

**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 28 February 2009.

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 2009.

At the date of authorisation of these interim financial statements, the following new/revised Financial Reporting Standards (“FRS”) and Interpretations were issued but not yet effective and have not been applied by the Group.

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs
FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 139	Financial Instruments: Recognition and Measurements
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group does not expect any significant financial impact on the consolidated financial statements arising from the adoption of the above FRSs and Interpretation upon their effective dates.

**2 Qualification of financial statement**

There was no qualification in the audited financial statements for the year ended 28 February 2009.



**EUPE CORPORATION BERHAD (377762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2009**

**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.

**8 Segmental information**

	Revenue		Profit before taxation	
	<----- 6 months ended ----->			
	31.8.09	31.8.08	31.8.09	31.8.08
	RM'000	RM'000	RM'000	RM'000
Chalet and Golf Management	7,114	8,874	(880)	(1,018)
Property Development	32,070	44,783	3,269	4,847
Property Construction	40,364	57,110	627	1,699
Others	2,443	989	1,398	(313)
	<u>81,991</u>	<u>111,297</u>	<u>4,414</u>	<u>5,215</u>
Inter-segment elimination	<u>(32,920)</u>	<u>(42,388)</u>	<u>(1,800)</u>	<u>(460)</u>
	<u>49,071</u>	<u>68,909</u>	<u>2,614</u>	<u>4,755</u>

**9 Revaluation of property, plant and machinery**

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



**EUPE CORPORATION BERHAD (377762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2009**

**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 2 March 2009, Eupe Golf Recreation & Tour Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, being the entire issued share capital of Spring Ritz Sdn. Bhd. ("SRSB"), a company incorporated in Malaysia for a cash consideration of RM2. SRSB was incorporated on 17 November 2008. The change of name from Spring Ritz Sdn. Bhd. to Cinta Sayang Management Sdn. Bhd. ("CSM") was on 13 March 2009.

On 2 March 2009, Eupe Golf Recreation & Tour Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, being the entire issued share capital of Posh Vista Sdn. Bhd. ("PVSB"), a company incorporated in Malaysia for a cash consideration of RM2. PVSB was incorporated on 13 November 2008. The change of name from Posh Vista Sdn. Bhd. to The Carnivall Management Sdn. Bhd. ("TCM") was on 13 March 2009.

CSM and TCM have not commenced operations since its incorporation. The acquisition of CSM and TCM will not have any material effect on the net tangible assets or earnings of the Company and its subsidiaries for the financial period ended 31 August 2009.

**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 2009 are as follows: -

	<b>As at 1.3.2009 RM'000</b>	<b>Addition / (Deletion) RM'000</b>	<b>As at 31.5.2009 RM'000</b>
Guarantees given to licensed banks for credit facilities utilised by the subsidiary companies	<u>30,076</u>	<u>(2,612)</u>	<u>27,464</u>
Guarantees given to suppliers for credit facilities utilised by the subsidiary companies	<u>788</u>	<u>(168)</u>	<u>620</u>
Total guarantees given for credit facilities available to the subsidiary companies	<u>73,690</u>	<u>(250)</u>	<u>73,440</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.





**EUPE CORPORATION BERHAD (377762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2009**

**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 2009, the Group made the following payments to purchase property, plant and equipment: -

	<b>RM</b>
Cash payment on purchase of property, plant and equipment	371,105
Financed by hire purchase arrangement	-
Purchase of property, plant and equipment	<u>371,105</u>

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

**1 Review of performance**

The revenue recorded in Q2 2010 decreased by 23% to RM24.725 million as compared to Q2 2009. Correspondingly, the profit before tax dropped by 12% to RM1.755 million.

This was mainly due to the completion in construction of existing projects. The successfully launched new projects had yet to commence construction for any profit recognition at this stage.

**2 Variance of results against preceding quarter**

The Group's turnover for the current quarter increased by 3% to RM24.725 million as compared to RM24.346 million recorded in the preceding quarter. Correspondingly, profit before tax increased by 104% to RM1.755 million. As noted above, this was due to the successful take-up rates of new product types and launches.

**3 Current year / future prospects**

The economic downturn seems to have bottomed out currently, as indicated by increased demand and more buoyant levels of confidence. The low interest regime and the government's removal of the foreign buying restrictions also bode well for the property market. The predictability and stability of material prices is another positive point. As the Group has a number of diverse projects – ranging from mass market townships to higher end properties, it is well positioned to take advantage of the opportunities in the market.



**EUPE CORPORATION BERHAD (377762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2009**

**4 Profit forecast**

This is not applicable as no profit forecast was published.

**5 Taxation**

	<b>CURRENT QUARTER Q2 31 AUG 2009 RM'000</b>	<b>PRECEDING QUARTER Q2 31 AUG 2008 RM'000</b>	<b>CURRENT YEAR TO DATE 31 AUG 2009 RM'000</b>	<b>PRECEDING YEAR TO DATE 31 AUG 2008 RM'000</b>
Current year taxation	824	1,174	1,527	2,182
Real property gain tax	-	-	-	-
Deferred taxation	(74)	(76)	(150)	(170)
Under/(Over) provision in previous years	-	-	-	-
	<b>750</b>	<b>1,098</b>	<b>1,377</b>	<b>2,012</b>

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

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 AUGUST 2009**

**9 Borrowings and debt securities**

	<b>CURRENT FINANCIAL PERIOD END 31.8.2009 RM' 000</b>	<b>PRECEDING FINANCIAL YEAR END 28.2.2009 RM' 000</b>
<b><u>Borrowings – unsecured</u></b>		
<u>Repayable within the next 12 months</u>		
Term loans	894	894
Revolving credit	3,000	3,000
Bankers' acceptance	1,600	2,249
Bank overdraft	688	554
	<hr/> 6,182	<hr/> 6,697
<u>Repayable after the next 12 months</u>		
Term loans	2,093	2,093
	<hr/> 2,093	<hr/> 2,093
<b><u>Borrowings – secured</u></b>		
<u>Repayable within the next 12 months</u>		
Term loans	3,424	7,099
Revolving credit	6,000	4,100
Bankers' acceptance	644	1,052
Bank overdraft	1,866	1,782
Hire purchase creditors	51	112
	<hr/> 11,985	<hr/> 14,145
<u>Repayable after the next 12 months</u>		
Term loans	6,782	6,782
Hire purchase creditors	-	-
	<hr/> 6,782	<hr/> 6,782

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 2009**

**13 Earnings per share**

*Basic earnings per share*

	<u>Current quarter</u>	<u>Year to-date</u>
	<b>RM</b>	<b>RM</b>
Net profit attributable to ordinary shareholders	336,782	400,407
Weighted average number of ordinary shares	128,000,000	128,000,000
Basic earnings per share (sen)	0.26	0.31

*Diluted earnings per share*

	<u>Current quarter</u>	<u>Year to-date</u>
	<b>RM</b>	<b>RM</b>
Net profit attributable to ordinary shareholders	336,782	400,407
Weighted average number of ordinary shares	128,000,000	128,000,000
Diluted earnings per share (sen)	0.26	0.31