

**EUPE CORPORATION BERHAD**

(Company No : 377762-V)

(Incorporated in Malaysia under the Companies Act 1965)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the financial period ended 31 May 2012
(The figures have not been audited)

	INDIVIDUAL QUARTER (1st Q)		CUMULATIVE QUARTER (3 months)	
	CURRENT YEAR 31/05/2012 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/05/2011 RM'000	CURRENT YEAR TO DATE 31/05/2012 RM'000	PRECEDING YEAR TO DATE 31/05/2011 RM'000
REVENUE	37,499	34,287	37,499	34,287
COST OF SALES	(29,498)	(28,630)	(29,498)	(28,630)
GROSS PROFIT	8,001	5,657	8,001	5,657
OTHER OPERATING INCOME	406	390	406	390
MARKETING AND DISTRIBUTION COSTS	(561)	(343)	(561)	(343)
ADMINISTRATION EXPENSES	(2,019)	(1,990)	(2,019)	(1,990)
OTHER OPERATING EXPENSES	(408)	(790)	(408)	(790)
FINANCIAL COST	(397)	(326)	(397)	(326)
SHARE OF RESULT IN JOINT VENTURES	(1)	0	(1)	0
PROFIT BEFORE TAX	5,021	2,598	5,021	2,598
TAX EXPENSE	(1,431)	(978)	(1,431)	(978)
PROFIT FOR THE PERIOD	3,590	1,620	3,590	1,620
EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN OPERATION	(539)	0	(539)	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,051	1,620	3,051	1,620
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	3,043	1,043	3,043	1,043
MINORITY INTEREST	547	577	547	577
	3,590	1,620	3,590	1,620
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	2,504	1,043	2,504	1,043
MINORITY INTEREST	547	577	547	577
	3,051	1,620	3,051	1,620
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
BASIC EARNINGS PER SHARE (SEN)	2.38	0.81	2.38	0.81
DILUTED EARNINGS PER SHARE (SEN)	2.38	0.81	2.38	0.81

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2012 and the accompanying explanatory notes attached to the financial Statements)

**EUPE CORPORATION BERHAD**

(Company No. 377762-V)

(Incorporated in Malaysia under the Companies Act 1965)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 May 2012

(The figures have not been audited)

	AS AT END OF FIRST QUARTER 31/05/2012 RM'000	AS AT PRECEDING FINANCIAL YEAR 29/2/2012 RM'000
ASSETS		
PROPERTY, PLANT AND EQUIPMENT	76,234	76,836
OTHER INVESTMENTS	165	164
LAND HELD FOR PROPERTY DEVELOPMENT	145,080	107,018
INVESTMENT PROPERTIES	29,834	29,834
INVESTMENTS IN JOINT VENTURES	880	829
DEFERRED PLANTATION EXPENDITURES	215	246
DEFERRED TAX ASSETS	1,284	1,284
CURRENT ASSETS		
Property development costs	57,081	61,639
Inventories	14,398	13,952
Trade and other receivables	37,674	43,051
Sinking and redemption funds	892	880
Tax recoverable	1,539	1,511
Cash and bank balances	19,996	23,899
	<u>131,580</u>	<u>144,932</u>
TOTAL ASSETS	<u>385,272</u>	<u>361,143</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	121,786	119,282
	<u>249,786</u>	<u>247,282</u>
Minority interest	6,719	6,046
	<u>256,505</u>	<u>253,328</u>
LONG TERM AND DEFERRED LIABILITIES		
Borrowings	18,991	15,018
Deferred taxation	16,925	16,906
	<u>35,916</u>	<u>31,924</u>
CURRENT LIABILITIES		
Progress Billings	28,436	35,209
Trade and other payables	37,273	19,915
Provision for infrastructure & renovation cost	4,218	4,218
Borrowings	21,632	15,741
Tax liabilities	1,292	808
	<u>92,851</u>	<u>75,891</u>
TOTAL EQUITY AND LIABILITIES	<u>385,272</u>	<u>361,143</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	<u>1.95</u>	<u>1.88</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2012 and the accompanying explanatory notes attached to the financial Statements)



EUPE CORPORATION BERHAD

(Company No.: 37762-V)

(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial period ended 31 May 2012

(The figures have not been audited)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENTS						MINORITY INTEREST	TOTAL EQUITY
	Share capital RM'000	Share premium RM'000	Exchange Translation reserve RM'000	Share option reserve RM'000	Retained profits RM'000	Sub-total RM'000		
Balance as at 1 March 2012	128,000	5,982	342	-	112,958	247,282	6,046	253,328
Foreign currency translation reserve	-	-	(539)	-	-	(539)	-	(539)
Acquisition of additional shares in subsidiary companies	-	-	-	-	-	-	126	126
Profit for the financial period	-	-	-	-	3,043	3,043	547	3,590
Balance as at 31 May 2012	128,000	5,982	(197)	-	116,001	249,786	6,719	256,505
Balance as at 1 March 2011	128,000	5,982	-	-	106,392	240,374	3,413	243,787
Foreign currency translation reserve	-	-	-	-	-	-	-	-
Acquisition of additional shares in subsidiary company	-	-	-	-	-	-	-	-
Profit for the financial period	-	-	-	-	1,043	1,043	577	1,620
Balance as at 31 May 2011	128,000	5,982	-	-	107,435	241,417	3,990	245,407

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2012 and the accompanying explanatory notes attached to the financial statement)

**EUPE CORPORATION BERHAD**

(Company No. 377762-V)

(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
for the financial period ended 31 May 2012
(The figures have not been audited)

	3 MONTHS ENDED 31/05/2012 RM'000	3 MONTHS ENDED 31/05/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	34,282	37,896
Cash payments to suppliers and creditors	(24,318)	(26,859)
Cash payments to employees and for expenses	(5,161)	(5,984)
Cash generated from operations	<u>4,803</u>	<u>5,053</u>
Interest expenses - overdraft	(42)	(29)
Rental income received	64	49
Deposit received/(paid)	33	1,217
Insurance compensation received	4	45
Tax paid / (refund)	(958)	(1,055)
Net cash from operating activities	<u>3,904</u>	<u>5,280</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	163	100
Dividend received	1	1
Purchase of property, plant and equipment & IP	(377)	(412)
Proceed from disposal of property, plant and equipment	-	-
Deposit refund / (paid) for acquisition of land	(34,198)	(3,891)
Gain from foreign exchange -land deposit	-	62
Subscription in ordinary shares of subsidiaries	(94)	-
Investment from JV partners	17,075	-
Other investment	(1)	(2)
Fixed deposits released from pledge / (pledge to licensed bank)	(51)	(325)
Net cash used in investing activities	<u>(17,482)</u>	<u>(4,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	125	-
Drawdown of revolving credit	8,000	1,400
Drawdown of term loan	3,521	-
Net creation of bankers' acceptance	301	1,036
Repayment of revolving credit	(3,200)	-
Repayment of term loan	(846)	(543)
Repayment of hire purchase loan	(4)	(4)
Term loan interest paid	(282)	(246)
Revolving credit interest paid	(39)	(5)
Discount paid on bankers' acceptance	(39)	(49)
Hire purchase interest paid	(1)	(1)
Net cash used in financing activities	<u>7,536</u>	<u>1,588</u>
Net increase in cash and cash equivalents	<u>(6,042)</u>	<u>2,401</u>
Effect of exchange rate changes	(3)	-
Cash and cash equivalents at beginning of financial year	21,506	12,677
Cash and cash equivalents at end of financial year	<u>15,461</u>	<u>15,078</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2012 and the accompanying explanatory notes attached to the financial Statements)



**EUPE CORPORATION BERHAD (37762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2012**

1 Basis of preparation

The financial statements are unaudited and have been prepared in accordance with FRS 134, 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 2012.

The accounting policies and methods of computation adopted by the Group in these financial statements are consistent with the audited financial statements for the year ended 29 February 2012 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") and Interpretations effective for the financial period beginning 1 March 2012:

FRS 9	Financial Instruments
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosure – Transfers of Financial Assets Disclosure – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
Amendments to IC Interpretation 15	Agreements for the Construction of Real Estate

The adoption of above FRSs, Amendments and IC Interpretations are not expected to have any significant impact on the financial statements of the Group.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC Interpretation 15"), including its parent, significant investor and venture (herein called "Transitioning Entities").



Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. Financial statements that are drawn up in accordance with the new MFRS framework will be equivalent to financial statements prepared by other jurisdictions which adopt IFRSs ("International Financial Reporting Standards").

The Group is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 28 February 2014. In presenting the Group's first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the financial year ended 29 February 2012 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ending 28 February 2014.

2 Qualification of Audit Reports

There was no qualification in the audited financial statements for the year ended 29 February 2012.

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 period.

5 Change in estimates

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



EUPE CORPORATION BERHAD (37762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2012

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.

8 Segmental information

For 3 months period ended 31 May 2012:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	28,184	19,764	3,601	611	52,160
Inter-segment	-	(14,590)	(6)	(65)	(14,661)
	<u>28,184</u>	<u>5,174</u>	<u>3,595</u>	<u>546</u>	<u>37,499</u>
Segment Result	<u>5,105</u>	<u>45</u>	<u>(71)</u>	<u>86</u>	<u>5,165</u>
Interest income					253
Finance costs					(397)
Profit before taxation					<u>5,021</u>
Taxation					(1,431)
Profit for the period					<u>3,590</u>

For 3 months period ended 31 May 2011:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	23,497	24,649	3,402	687	52,235
Inter-segment	-	(17,818)	(5)	(125)	(17,948)
	<u>23,497</u>	<u>6,831</u>	<u>3,397</u>	<u>562</u>	<u>34,287</u>
Segment Result	<u>3,075</u>	<u>9</u>	<u>(324)</u>	<u>64</u>	<u>2,824</u>
Interest income					100
Finance costs					(326)
Profit before taxation					<u>2,598</u>
Taxation					(978)
Profit for the period					<u>1,620</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

The Group has acquired additional 125,000 ordinary shares of RM1.00 each in Eupe Bangsar South Development (JV) Sdn Bhd. (EBSB) with an issued and paid-up ordinary share capital of RM250,000, for a consideration of RM125,000, resulting in EBSB remain as subsidiary of the Group.

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 2012 are as follows: -

	As at 1.3.2012 RM'000	Addition / (Deletion) RM'000	As at 31.05.2012 RM'000
Guarantees given to licensed banks for credit facilities utilised by the subsidiary companies	<u>30,804</u>	<u>9,882</u>	<u>40,686</u>
Guarantees given to suppliers for credit facilities utilised by the subsidiary companies	<u>180</u>	<u>312</u>	<u>492</u>
Total guarantees given for credit facilities available to the subsidiary companies	<u>74,540</u>	<u>-</u>	<u>74,540</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 (377162-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2012

13 Capital commitments

The amount of capital commitments not provided for in the interim financial report as at 31 May 2012 is as follows:

	RM'000
Approved & contracted for:-	
Land held for property development comprising of 17 acres land in Puncak Jalil, Mukim of Petaling, District of Petaling, Selangor	<u>33,617</u>

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

During the financial period ended 31 May 2012, the Group made the following payments to purchase property, plant and equipment: -

	RM'000
Purchase of property, plant and equipment	<u>377</u>



Additional information required by the BMSB's Listing Requirements

1 Review of performance

For the current period to-date, the Group recorded a profit before tax (PBT) of RM5,021 million on revenue of RM37,499 million, representing a 93% increase in profits and 9% in revenue over the results recorded in the preceding period.

Revenue for the property development division increased by 20% to RM28,184 million while PBT increased by 68% to RM4,987 million as compared to the corresponding quarter last year. The improvement in the Group's performance is attributable to continuous good take up of its higher margin properties launched and as well as more advanced stages of construction work progress especially for Astana Park Homes & Puncak Surya projects

Revenue for construction division decreased by 24% to RM5,174 million with a better PBT of RM0.14 million as compared to Q1 2012 due to slight recover from escalation of raw material price .

The chalet & golf management division which contributed 10% to current quarter's revenue, continued to contribute positively to the Group's performance

2 Variance of results against preceding quarter

The Group's PBT for the current quarter increased by 50% compared with RM3,354 million recorded in Q4 2012 due to higher revenue recognition from residential & commercial properties.

3 Current year / future prospects

Although higher income levels indicate a shift in the demand for house-types, with certain mid to low-end houses feeling the brunt; take-up rates are still steady and expected to continue throughout the year. The pay rise for the government sector will further enhance this.

On the downside, the tightening of bank financing may lead to some consolidation. However, as our market here is more on owner occupation than investment, the mitigating effects of tighter bank financing might not be as detrimental.

Mass housing townships will continue to be a main source of income for the Group, but as earlier indicated, upcoming projects will be more niche and will cater to a more affluent target. Geographical expansion will be another key area of focus as the Group moves out from its home base of Kedah to Penang and KL.



4 Profit forecast

This is not applicable as no profit forecast was published.

5 Taxation

	CURRENT QUARTER Q1 31 MAY 2012 RM'000	PRECEDING QUARTER Q1 31 MAY 2011 RM'000	CURRENT PERIOD TO DATE 31 MAY 2012 RM'000	PRECEDING PERIOD TO DATE 31 MAY 2011 RM'000
Current year taxation	1,412	986	1,412	986
Deferred taxation	19	(8)	19	(8)
	<u>1,431</u>	<u>978</u>	<u>1,431</u>	<u>978</u>

There is no significant difference between the Group effective tax rate and the statutory tax rate of 25%. The above tax figures are based on best estimates and internal assessment.

6 Sales 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 period.

7 Quoted securities

There were no purchases or disposals of quoted securities for the current financial period

There were no investments in quoted securities as at 31 May 2012.

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 2012

9 Borrowings and debt securities

The Group's borrowings & debts securities as at 31 May 2012 were as follows:

	RM' 000
<u>Current</u>	
<u>Secured</u>	
Term loans	3,283
Revolving credit	8,000
Bank overdraft	3,360
Bankers' acceptance	4,099
Hire purchase creditors	12
	18,754
<u>Unsecured</u>	
Term loans	878
Revolving credit	2,000
	2,878
Total current portion	21,632
<u>Non-current</u>	
<u>Secured</u>	
Term loans	18,750
Hire purchase creditors	44
	18,794
<u>Unsecured</u>	
Term loans	197
	197
Total non-current portion	18,991

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

10 Realised and Unrealised Profits/Losses

The details of the retained earnings as at 31 May 2012 comprised as follows:

	CURRENT FINANCIAL PERIOD END 31.05.2012 RM' 000	PRECEDING FINANCIAL PERIOD END 31.05.2011 RM' 000
Total retained earnings of the Company and its subsidiaries :		
- Realised profits	131,642	123,169
- Unrealised losses	(15,641)	(15,734)
Total Group retained profits as per consolidated accounts	116,001	107,435



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MAY 2012

11 Off balance sheet financial instruments

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

12 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.

13 Dividend payable

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

14 Earnings per share

Basic earnings per share

	CURRENT QUARTER RM	YEAR TO-DATE RM
Net profit attributable to ordinary shareholders (RM'000)	3,043	3,043
Weighted average number of ordinary shares ('000)	128,000	128,000
Basic earnings per share (sen)	1.95	1.88

Diluted earnings per share

Not applicable to the Group.