

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)**(Incorporated in Malaysia under the Companies Act, 1965)***PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION****SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

		3 Months Ended		6 Months Ended	
		Current Quarter 31 AUG 2014 RM '000	Corresponding Quarter 31 AUG 2013 RM '000	Current Period to date 31 AUG 2014 RM '000	Corresponding Period to date 31 AUG 2013 RM '000
1.	Revenue	46,669	46,681	93,271	83,381
2.	Profit/(loss) before tax	4,111	5,331	5,642	8,040
3.	Profit/(loss) for the period	3,506	4,052	4,321	5,826
4.	Profit/(loss) attributable to ordinary equity holders of the parent	3,544	4,244	4,275	5,791
5.	Basic earnings/ (loss) per shares (sen)	2.77	3.32	3.34	4.52
6.	Proposed/declared dividend per share (sen)	0.00	2.00	0.00	2.00

		AS AT END OF CURRENT QUARTER	AS AT PRECEEDING FINANCIAL PERIOD END
7.	Net assets per share attributable to ordinary equity holders of the parent (RM)	2.17	2.13

**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 August 2014**

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	CURRENT QUARTER	CORRESPONDING QUARTER	CURRENT PERIOD TO DATE	CORRESPONDING PERIOD TO DATE
	31/08/2014 RM'000	31/08/2013 RM'000	31/08/2014 RM'000	31/08/2013 RM'000
REVENUE	46,669	46,681	93,271	83,381
COST OF SALES	(38,504)	(38,317)	(79,536)	(69,327)
GROSS PROFIT	8,165	8,364	13,735	14,054
OTHER OPERATING INCOME	360	724	3,068	1,090
MARKETING AND DISTRIBUTION COSTS	(751)	(590)	(4,405)	(1,058)
ADMINISTRATION EXPENSES	(2,335)	(2,294)	(4,611)	(4,324)
OTHER OPERATING EXPENSES	(1,063)	(507)	(1,897)	(929)
FINANCE COST	(357)	(336)	(689)	(763)
SHARE OF RESULT IN JOINT VENTURES	92	(30)	441	(30)
PROFIT BEFORE TAX	4,111	5,331	5,642	8,040
TAX EXPENSE	(605)	(1,279)	(1,321)	(2,214)
PROFIT FOR THE YEAR	3,506	4,052	4,321	5,826
UNREALISED GAIN / (LOSS) ON FOREIGN EXCHANGE	(106)	(566)	43	(566)
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(9)	13	5	13
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>3,391</u>	<u>3,499</u>	<u>4,369</u>	<u>5,273</u>
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	3,544	4,244	4,275	5,791
MINORITY INTEREST	(38)	(192)	46	35
	<u>3,506</u>	<u>4,052</u>	<u>4,321</u>	<u>5,826</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	3,429	3,691	4,323	5,238
MINORITY INTEREST	(38)	(192)	46	35
	<u>3,391</u>	<u>3,499</u>	<u>4,369</u>	<u>5,273</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
BASIC EARNINGS PER SHARE (SEN)	<u>2.77</u>	<u>3.32</u>	<u>3.34</u>	<u>4.52</u>
DILUTED EARNINGS PER SHARE (SEN)	<u>2.77</u>	<u>3.32</u>	<u>3.34</u>	<u>4.52</u>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2014 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 August 2014**

(The figures have not been audited)

	AS AT 31/08/2014 RM'000	AS AT 28/02/2014 RM'000
<b><u>ASSETS</u></b>		
PROPERTY, PLANT AND EQUIPMENT	75,060	74,810
OTHER INVESTMENTS	13	13
LAND HELD FOR PROPERTY DEVELOPMENT	146,899	151,885
INVESTMENT PROPERTIES	33,719	31,221
INVESTMENTS IN JOINT VENTURES	3,229	2,595
DEFERRED PLANTATION EXPENDITURES	-	4
DEFERRED TAX ASSETS	1,117	1,097
CURRENT ASSETS		
Property development costs	54,178	50,058
Inventories	18,959	15,754
Trade and other receivables	88,384	67,798
Sinking and redemption funds	254	239
Tax recoverable	927	865
Cash and bank balances	13,701	22,079
	<u>176,403</u>	<u>156,793</u>
TOTAL ASSETS	<u>436,440</u>	<u>418,418</u>
<b><u>EQUITY AND LIABILITIES</u></b>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	149,319	144,995
	<u>277,319</u>	<u>272,995</u>
Minority interest	5,134	5,089
	<u>282,453</u>	<u>278,084</u>
LONG TERM AND DEFERRED LIABILITIES		
Borrowings	28,988	28,361
Deferred taxation	16,743	16,756
	<u>45,731</u>	<u>45,117</u>
CURRENT LIABILITIES		
Progress Billings	38,319	29,139
Trade and other payables	41,709	31,553
Provision for infrastructure & renovation cost	3,797	3,777
Borrowings	23,181	29,359
Tax liabilities	1,250	1,389
	<u>108,256</u>	<u>95,217</u>
TOTAL EQUITY AND LIABILITIES	<u>436,440</u>	<u>418,418</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	<u>2.17</u>	<u>2.13</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2014 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 CHANGES IN EQUITY****for the financial period ended 31 August 2014***(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	Retained profits RM'000	Sub-total RM'000		
Balance as at 1 March 2014	128,000	5,982	13	139,001	272,996	5,088	278,084
Additional minority interest' shares in subsidiary companies	-	-	-	-	-	-	-
Total comprehensive income	-	-	5	4,318	4,323	46	4,369
Dividend paid				-	-	-	-
Balance as at 31 August 2014	<u>128,000</u>	<u>5,982</u>	<u>18</u>	<u>143,319</u>	<u>277,319</u>	<u>5,134</u>	<u>282,453</u>
Balance as at 1 March 2013	128,000	5,982	-	127,882	261,864	8,021	269,885
Additional minority interest' shares in subsidiary companies	-	-	-	-	-	-	-
Total comprehensive income	-	-	13	5,225	5,238	35	5,273
Dividend paid			-	(1,920)	(1,920)	-	(1,920)
Balance as at 31 August 2013	<u>128,000</u>	<u>5,982</u>	<u>13</u>	<u>131,187</u>	<u>265,182</u>	<u>8,056</u>	<u>273,238</u>

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2014 and the accompanying explanatory notes attached to the financial statement)**



**EUPE CORPORATION BERHAD**

(Company No.: 37762-V)

(Incorporated in Malaysia under the Companies Act, 1965)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
for the financial period ended 31 August 2014**

(The figures have not been audited)

	<b>6 MONTHS ENDED</b>	
	<b>31/08/2014</b>	<b>31/08/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	88,875	75,259
Cash payments to suppliers and creditors	(75,354)	(59,960)
Cash payments to employees and for expenses	(12,195)	(11,762)
Cash generated from operations	1,326	3,537
Interest expenses - overdraft	(94)	(63)
Rental income received	150	174
Deposit received/(paid)	45	177
Insurance compensation received	98	68
Tax paid / (refund)	(1,560)	(2,402)
Net cash from operating activities	(35)	1,491
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	364	526
Dividend received	-	-
Purchase of property, plant and equipment & IP	(2,333)	(730)
Proceed from disposal of property, plant and equipment	-	-
Proceeds from sales of Investment Property	-	491
Subsequent expenditure on investment properties	-	(221)
Deposit refund / (paid) for acquisition of land	(1,471)	-
Gain from foreign exchange -land deposit	-	-
Subscription in ordinary shares of subsidiaries	-	-
Investment from joint ventures	2,007	201
Other investment	-	-
Fixed deposits released from pledge / (pledge to licensed bank)	92	28
Net cash used in investing activities	(1,341)	295
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	-	-
Dividend paid	-	(1,920)
Drawdown of revolving credit	3,882	2,890
Drawdown of term loan	-	-
Drawdown of hire purchase loan	910	1,077
Net creation of bankers' acceptance	1,421	322
Repayment of revolving credit	(8,510)	-
Repayment of term loan	(3,392)	(2,634)
Repayment of hire purchase loan	(624)	(89)
Term loan interest paid	(1,013)	(1,168)
Revolving credit interest paid	(163)	(81)
Discount paid on bankers' acceptance	(137)	(94)
Hire purchase interest paid	(60)	(16)
(Repayment to)/Advance from director	-	-
Net cash used in financing activities	(7,686)	(1,713)
Net increase in cash and cash equivalents	(9,062)	73
Effect of exchange rate changes	12	(28)
Cash and cash equivalents at beginning of financial period	18,211	24,858
Cash and cash equivalents at end of financial period	9,161	24,903

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2014 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 AUGUST 2014**

**1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 28 February 2014. The 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 year ended 28 February 2014.

**2 Accounting policies**

The accounting policies, methods of computation & basis of consolidation adopted by the Group in the unaudited condensed interim financial statements are consistent with the audited financial statements for the year ended 28 February 2014 except for the adoption of the following new / revised Financial Reporting Standards (FRS), Amendments to FRSs and Interpretations as follows:

**FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014**

- Amendments to FRS 10 Consolidated Financial Statements – Investment Entities
- Amendments to FRS 12 Disclosure of Interests in Other Entities – Investment Entities
- Amendments to FRS 127 Separate Financial Statements – Investment Entities
- Amendments to FRS 132 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

The adoptions of the above FRSs, Amendment to FRSs and IC Interpretations are not expected to have any material impact on the financial statements of the Group.

**Malaysian Financial Reporting Standards (MFRS Framework)**

The Group and the Company fall under the Transitioning Entities provision granted by the MASB because it is within the scope of IC 15 Agreements for the Construction of Real Estate and FRS 141 Agriculture. On 7 August 2013, MASB extended the transitional period for another year. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.



**EUPE CORPORATION BERHAD (37762-V)**  
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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 2015. 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.

**3 Audit Report Qualification**

The audited reports for the financial year ended 28 February 2014 were not subject to any qualification

**4 Seasonal or cyclical factors**

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

**5 Exceptional or unusual items**

There were no exceptional or unusual items for the current financial period.

**6 Change in estimates of amounts reported previously**

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

**7 Debt and equity securities**

There were no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities for the current financial period.

**8 Dividend paid**

There was no dividend paid during the current quarter and financial period to date.

**9 Segmental information**

**For 6 months ended 31 August 2014:**

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
<b>Revenue</b>	41,977	73,680	6,375	2,529	124,561
Inter-segment	-	(29,771)	-	(1,519)	(31,290)
	41,977	43,909	6,375	1,010	93,271



**EUPE CORPORATION BERHAD (37762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

<b>Segment Result</b>	3,648	2,557	(1,597)	1,443	6,051
Interest income					280
Finance costs					(689)
Profit before taxation					5,642
Taxation					(1,321)
Profit for the period					4,321

**For 6 months ended 31 August 2013:**

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
<b>Revenue</b>	49,347	55,428	6,949	1,191	112,915
Inter-segment	-	(29,228)	-	(306)	(29,534)
	49,347	26,200	6,949	885	83,381
<b>Segment Result</b>	7,176	1,778	(324)	(384)	8,246
Interest income					557
Finance costs					(763)
Profit before taxation					8,040
Taxation					(2,214)
Profit for the period					5,826

**10 Valuation of property, plant and machinery**

There were no valuation of property, plant and equipment carried out during the current financial period.

**11 Valuation of investment properties**

The value of such are based upon a valuation exercise carried out by independent firms of professional valuers. The valuation methods used in determining the valuation are the comparison method and cost method.

In the current quarter, a gain on revaluation of investment property amounting to RM2.3 million based on the market value of the freehold interest in the subject property in its existing conditions on en bloc basis with vacant possession and free from all encumbrances.

**12 Material events subsequent**

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial report.

**13 Changes in composition of the Group**

There were no changes in the composition of the Group during the financial period.





**EUPE CORPORATION BERHAD (37762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

**14 Changes in contingent liabilities and contingent assets**

The changes in contingent liabilities since the last annual balance sheet date made up to 31 August 2014 are as follows: -

	<b>As at 1.3.2014 RM'000</b>	<b>Addition / (Deletion) RM'000</b>	<b>As at 31.8.2014 RM'000</b>
Guarantees given to licensed banks for credit facilities utilised by the subsidiary companies	<u>44,260</u>	<u>(6,214)</u>	<u>38,046</u>
Guarantees given to suppliers for credit facilities utilised by the subsidiary companies	<u>1,439</u>	<u>-</u>	<u>1,439</u>
Total guarantees given for credit facilities available to the subsidiary companies	<u>101,017</u>	<u>(12,500)</u>	<u>113,517</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.

**15 Capital commitments**

The amount of capital commitments not provided for in the interim financial report as at 31 August 2014 is as follows:

	<b>RM'000</b>
Land held for property development:- Approved & uncontracted	<u>72,439</u>

**16 Capital expenditures**

The additions and disposals to the property, plant and equipment during the current financial period to date were as follows:

	<b>RM'000</b>
Purchase of property, plant and equipment	<u>2,333</u>



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

**1 Review of performance**

Property Development

Revenue for Q2 FYE 2015 was RM22.9 million, 20% better than the preceding quarter at RM19.1 million, due to higher progressive billings from properties under construction. Compared to the corresponding quarter, property revenue was 18% lower at RM27.9 million.

Profits before tax (PBT) for Q2 FYE 2015 was RM4.6 million, an improvement of 2.2 times compared to RM2.1 million in the preceding quarter, stemming from a higher composition of products with higher margin. PBT for Q2 FYE 2015 improved only marginally compared to the corresponding quarter (RM4.3 million).

Property Construction

Revenue for Q2 FYE 2015 was RM20.0 million, representing a drop of 17% compared to RM24.0 million in the preceding quarter but 36% higher than the corresponding quarter of RM14.7 million.

PBT for Q2 FYE 2015 was RM874 thousand, compared to RM1.5 million in the preceding quarter and RM1.2 million in the corresponding quarter. This was mainly resulted by the fluctuation in the material price & slower work progress due to tail-end of Phase 1 in Alma project.

Chalet and Golf Management

The revenue for Q2 FYE 2015 was RM3.4 million, 14% higher than the preceding quarter (RM2.9 million) but 6% lower than the corresponding quarter (RM3.6 million). A slowdown in leisure arrival in Puasa month led to decline in our occupancy rate.

The division made a loss of RM692 thousand versus a loss of RM976 thousand in the preceding quarter. The result was however much worse than a loss of RM73 thousand in the corresponding quarter. Moving onwards, the management has restructured to focus more on the corporate sector.

Others

Revenue for Q2 FYE 2015 was RM460 thousand, 17% lesser than the preceding quarter of RM551 thousand and 2% higher than the corresponding quarter of RM449 thousand.

The division made a loss of RM624 thousand in Q2 2015, RM2.5 million less than the preceding quarter and RM450 thousand less than the corresponding quarter.



**EUPE CORPORATION BERHAD (377762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

**2 Variance of results against preceding quarter**

The group achieved revenue of RM46.7 million in Q2 FYE 2015 was similar to the preceding quarter. Of this the property and construction sector accounted for 1% shortfalls against the preceding quarter.

The group posted a higher PBT of RM4.1 million for Q2 FYE 2015 against a PBT of RM1.5 million in the preceding quarter.

**3 Current year / future prospects**

While most of our newly launched projects have received encouraging market response, we are concern about the increasingly stringent regulations set by the government. The impact of GST and how it should be priced into our future launches is another area we are carefully evaluating.

**4 Profit forecast**

There were no profit forecast or profit guarantee for the current financial period to date.



**EUPE CORPORATION BERHAD (37762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

**5 Taxation**

	<b>Current Quarter Q2 31 Aug 2014 RM'000</b>	<b>Preceding Quarter Q2 31 Aug 2013 RM'000</b>	<b>Current Period To-date 31 Aug 2014 RM'000</b>	<b>Preceding Period To-date 31 Aug 2013 RM'000</b>
Current year taxation	619	1,336	1,354	2,309
Over provision in prior year	-	(21)	-	(21)
Deferred taxation	(14)	(36)	(33)	(74)
	605	1,279	1,321	2,214

The effective tax rate for the financial year was higher than the statutory income tax rate in Malaysia due to the losses of certain subsidiaries that were not available for full set off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

**6 Status of corporate proposal**

There was no corporate proposal that has been announced as at the date of this announcement.

**7 Borrowings and debt securities**

The Group borrowings & debts securities as at 31 August 2014 were as follows:

	<b>Secured RM'000</b>
Bank Overdrafts	2,924
Short Term Bank Borrowings	20,257
Long Term Bank Borrowings	28,988
	52,169

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

**8 Realised and unrealised profits / losses**

The details of the Group retained earnings as at 31 August 2014 comprised as follows:

	<b>As at 31.8.2014 RM' 000</b>	<b>As at 31.8.2013 RM' 000</b>
Total retained earnings of the Company and its subsidiaries :		
- Realised profits	158,884	147,864
- Unrealised losses	(15,565)	(16,678)
Total retained profits as per consolidated accounts	143,319	131,186



**EUPE CORPORATION BERHAD (37762-V)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2014**

**9 Changes in material litigation**

There were no material litigations, which would have a material adverse effect on the financial results for the current financial period.

**10 Dividend payable**

The Board does not recommend the payment of any dividend for the current financial period.

**11 Earnings per share**

	<b>Current Quarter RM</b>	<b>Year To-period RM</b>
<i>Basic earnings per share</i>		
Net profit attributable to ordinary shareholders (RM'000)	3,506	4,321
Weighted average number of ordinary shares ('000)	128,000	128,000
Basic earnings per share (sen)	2.77	3.34

**12 Notes to the Statement of Comprehensive Income**

	<b>Current Quarter RM'000</b>	<b>Period To-date RM'000</b>
Interest income	149	280
Interest expense	(357)	(689)
Other income	211	486
Depreciation and amortization	(925)	(2,076)
Provision for write off of receivables	(27)	(54)
Fair value adjustment of Investment Properties	-	2,302