

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION****SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 29 FEB 2016**

	3 Months Ended		12 Months Ended	
	Current Quarter 29 FEB 2016 RM '000	Corresponding Quarter 28 FEB 2015 RM '000	Current Year to date 29 FEB 2016 RM '000	Corresponding Year to date 28 FEB 2015 RM '000
1. Revenue	35,430	33,536	129,332	167,685
2. Profit/(loss) before tax	1,788	5,844	4,811	18,352
3. Profit/(loss) for the year	1,445	5,632	3,186	13,345
4. Profit/(loss) attributable to ordinary equity holders of the parent	1,453	5,753	3,339	13,463
5. Basic earnings/ (loss) per shares (sen)	1.14	4.49	2.61	10.52
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)	2.25	2.22

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS****for the financial year ended 29 February 2016***(The figures have not been audited)*

	3 MONTHS ENDED		12 MONTHS ENDED	
	CURRENT QUARTER	CORRESPONDING QUARTER	CURRENT YEAR TO DATE	CORRESPONDING YEAR TO DATE
	29/02/2016 RM'000	28/02/2015 RM'000	29/02/2016 RM'000	28/02/2015 RM'000
REVENUE	35,430	33,536	129,332	167,685
COST OF SALES	(27,275)	(23,619)	(105,547)	(133,456)
GROSS PROFIT	8,155	9,917	23,785	34,229
OTHER OPERATING INCOME	650	413	1,549	3,868
MARKETING AND DISTRIBUTION COSTS	(2,574)	(979)	(5,330)	(6,054)
ADMINISTRATION EXPENSES	(3,020)	(2,665)	(9,694)	(9,591)
OTHER OPERATING EXPENSES	(1,167)	(543)	(4,114)	(3,395)
FINANCE COST	(226)	(333)	(1,466)	(1,352)
SHARE OF RESULT IN JOINT VENTURES	(30)	34	81	647
PROFIT BEFORE TAX	1,788	5,844	4,811	18,352
TAX EXPENSE	(343)	(212)	(1,625)	(5,007)
PROFIT FOR THE YEAR	1,445	5,632	3,186	13,345
PROFIT ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	1,453	5,753	3,339	13,463
NON-CONTROLLING INTERESTS	(8)	(121)	(153)	(118)
	1,445	5,632	3,186	13,345
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
BASIC EARNINGS PER SHARE (SEN)	1.14	4.49	2.61	10.52
DILUTED EARNINGS PER SHARE (SEN)	1.14	4.49	2.61	10.52

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the financial statements.)

**EUPE CORPORATION BERHAD**

(Company No.: 377762-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
for the financial year ended 29 February 2016**

(The figures have not been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	CURRENT QUARTER	CORRESPONDING QUARTER	CURRENT YEAR TO DATE	CORRESPONDING YEAR TO DATE
	29/02/2016 RM'000	28/02/2015 RM'000	29/02/2016 RM'000	28/02/2015 RM'000
PROFIT FOR THE YEAR	1,445	5,632	3,186	13,345
OTHER COMPREHENSIVE INCOME				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
UNREALISED GAIN / (LOSS) ON FOREIGN EXCHANGE	738	(148)	569	(341)
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(23)	(13)	80	(31)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>715</u>	<u>(161)</u>	<u>649</u>	<u>(372)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>2,160</u></u>	<u><u>5,471</u></u>	<u><u>3,835</u></u>	<u><u>12,973</u></u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	2,168	5,592	3,988	13,091
NON-CONTROLLING INTERESTS	(8)	(121)	(153)	(118)
	<u><u>2,160</u></u>	<u><u>5,471</u></u>	<u><u>3,835</u></u>	<u><u>12,973</u></u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the financial statements.)



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION as at 29 February 2016

(The figures have not been audited)

	AS AT 29/02/2016 RM'000	AS AT 28/02/2015 RM'000
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	71,993	73,968
Other investments	7	13
Land held for property development	123,602	163,697
Investment properties	33,327	33,230
Investments in joint ventures	3,018	3,639
Deferred tax assets	1,021	1,121
	<u>232,968</u>	<u>275,668</u>
CURRENT ASSETS		
Property development costs	165,609	78,118
Inventories	13,303	14,377
Trade and other receivables	74,433	60,753
Sinking and redemption funds	213	205
Tax recoverable	1,152	1,013
Cash and bank balances	38,394	16,719
	<u>293,104</u>	<u>171,185</u>
TOTAL ASSETS	<u>526,072</u>	<u>446,853</u>
<u>EQUITY AND LIABILITIES</u>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	128,000	128,000
Reserves	160,156	156,168
	<u>288,156</u>	<u>284,168</u>
NON-CONTROLLING INTERESTS	5,114	4,966
Total equity	<u>293,270</u>	<u>289,134</u>
NON-CURRENT LIABILITIES		
Borrowings	67,398	18,496
Deferred taxation	14,075	15,772
	<u>81,473</u>	<u>34,268</u>
CURRENT LIABILITIES		
Progress Billings	61,974	51,933
Trade and other payables	57,650	39,554
Provision for infrastructure & renovation cost	3,357	3,527
Borrowings	27,520	27,059
Tax liabilities	828	1,378
	<u>151,329</u>	<u>123,451</u>
TOTAL EQUITY AND LIABILITIES	<u>526,072</u>	<u>446,853</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	<u>2.25</u>	<u>2.22</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the financial Statements)

**EUPE CORPORATION BERHAD***(Company No.: 37762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****for the financial year ended 29 February 2016***(The figures have not been audited)*

	----- ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENTS -----					NON- CONTROLLING INTERESTS	TOTAL EQUITY
	---- Non-Distributable ----			Distributable			
	Share capital RM'000	Share premium RM'000	Exchange Translation reserve RM'000	Retained profits RM'000	Sub-total RM'000	RM'000	RM'000
Balance as at 1 March 2015	128,000	5,982	(17)	150,203	284,168	4,966	289,134
Effect arising from changes in composition of the Group	-	-	-	-	-	522	522
Total comprehensive income	-	-	80	3,908	3,988	(153)	3,835
Dividend paid	-	-	-	-	-	(221)	(221)
Balance as at 29 February 2016	<u>128,000</u>	<u>5,982</u>	<u>63</u>	<u>154,111</u>	<u>288,156</u>	<u>5,114</u>	<u>293,270</u>
Balance as at 1 March 2014	128,000	5,982	14	139,001	272,997	5,089	278,086
Effect arising from changes in composition of the Group	-	-	-	-	-	(5)	(5)
Total comprehensive income	-	-	(31)	13,122	13,091	(118)	12,973
Dividend paid	-	-	-	(1,920)	(1,920)	-	(1,920)
Balance as at 28 February 2015	<u>128,000</u>	<u>5,982</u>	<u>(17)</u>	<u>150,203</u>	<u>284,168</u>	<u>4,966</u>	<u>289,134</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the financial statement)

**EUPE CORPORATION BERHAD**

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**for the financial year ended 29 February 2016**

(The figures have not been audited)

	12 MONTHS ENDED	
	29/02/2016	28/02/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	139,262	188,007
Cash payments to suppliers and creditors	(127,472)	(147,944)
Cash payments to employees and for expenses	(32,283)	(24,775)
Cash generated from operations	<u>(20,493)</u>	<u>15,288</u>
Interest expenses - overdraft	(256)	(196)
Rental income received	400	411
Deposit received	188	592
Insurance compensation received	-	113
Tax paid	(3,867)	(5,748)
Net cash from operating activities	<u>(24,028)</u>	<u>10,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	659	815
Purchase of property, plant and equipment & IP	(2,248)	(2,456)
Proceed from disposal of property, plant and equipment	21	32
Proceeds from sales of Investment Property	-	520
Subsequent expenditure on investment properties	(174)	(250)
Deposit paid for acquisition of land	(2,140)	(1,471)
Subscription in ordinary shares of subsidiaries	-	(5)
Repayment from joint ventures	2,326	4,628
Other investment	6	-
Fixed deposits released from pledge / (pledge to licensed bank)	341	(1)
Net cash used in investing activities	<u>(1,209)</u>	<u>1,812</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	522	-
Dividend paid	-	(1,920)
Dividend paid to non controlling interest	(221)	-
Drawdown of revolving credit	4,800	10,482
Drawdown of term loan	64,863	-
Drawdown of hire purchase loan	250	-
Net creation of bankers' acceptance	4,265	(2,868)
Repayment of revolving credit	-	(10,392)
Repayment of term loan	(24,224)	(9,935)
Repayment of hire purchase loan	(558)	(523)
Term loan interest paid	(1,887)	(1,945)
Revolving credit interest paid	(148)	(246)
Discount paid on bankers' acceptance	(142)	(230)
Hire purchase interest paid	(133)	(126)
Advance to director	(193)	-
Net cash used in financing activities	<u>47,194</u>	<u>(17,703)</u>
Net increase in cash and cash equivalents	<u>21,957</u>	<u>(5,431)</u>
Effect of exchange rate changes	100	(97)
Cash and cash equivalents at beginning of financial year	12,683	18,211
Cash and cash equivalents at end of financial year	<u>34,740</u>	<u>12,683</u>
Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	34,117	13,220
Fixed deposits with licensed banks	4,277	3,499
Bank overdraft	(2,296)	(2,328)
	<u>36,098</u>	<u>14,391</u>
Less: Deposits pledged as collateral	(1,358)	(1,708)
	<u>34,740</u>	<u>12,683</u>

(The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the financial Statements.)



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 28 February 2015. 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 2015.

A2 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 2015 except for the adoption of the following new/ revised Financial Reporting Standards (FRS), Amendments to FRSs and Interpretations as follows:

FRSs, Amendments to FRSs and Interpretations effective for annual periods beginning on or after 1 July 2015

- Amendments to FRS 2 Share-based Payment (Annual Improvements 2010–2012 Cycle)
- Amendments to FRS 3 Business Combinations (Annual Improvements 2010–2012 Cycle and 2011-2013 Cycle)
- Amendments to FRS 8 Operating Segments (Annual Improvements 2010–2012 Cycle)
- Amendments to FRS 13 Fair Value Measurement (Annual Improvements 2010–2012 Cycle and 2011-2013 Cycle)
- Amendments to FRS 116 Property, Plant and Equipment (Annual Improvements 2010–2012 Cycle)
- Amendments to FRS 119 Employee Benefits – Defined Benefit Plans: Employee Contributions
- Amendments to FRS 124 Related Party Disclosure (Annual Improvements 2010–2012 Cycle)
- Amendments to FRS 138 Intangible Assets (Annual Improvements 2010–2012 Cycle)
- Amendments to FRS 140 Investment Property (Annual Improvements 2011-2013 Cycle)

FRSs, Amendments to FRSs and Interpretations effective for annual periods beginning on or after 1 January 2016

- FRS 14 Regulatory Deferral Accounts
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations – Changes in Method of Disposal (Annual Improvements 2012-2015 Cycle)
- Amendments to FRS 7 Financial Instruments: Disclosures – Servicing Contracts and Applicability of the Amendments to FRS 7 to Condensed Interim Financial Statements (Annual Improvements 2012-2015 Cycle)
- Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 128 Investment in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception



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- Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 101 Presentation of Financial Statements – Disclosure Initiative
- Amendments to FRS 116 Property, Plant and Equipment and FRS 138 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 119 Employee Benefits – Discount Rates: Regional Market Issue (Annual Improvements 2012-2015 Cycle)
- Amendments to FRS 127 Separate Financial Statements – Equity Method in Separate Financial Statements

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 2 September 2014, the MASB announced that all transitioning entities shall comply with Malaysian Financial Reporting Standards (MFRSs) for annual period beginning on or after 1 January 2017, thus the Group and the Company will adopt the MFRS Framework for annual period beginning on or after 1 January 2017.

The Group has continued to prepare these financial statements for annual period beginning on 1 March 2015 in accordance with the FRSs issued by the MASB.

A3 Reports of the Auditor

The audited reports for the financial year ended 28 February 2015 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors except for the leisure and hospitality segments which normally peaks during major festive seasons and holidays.

A5 Exceptional or Unusual Items

There were no material unusual items affecting the amounts reported for the current financial year.

A6 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current financial year.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016

A7 Debt and Equity Securities

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

A8 Dividend Paid

There was no dividend was paid in current financial year under review.

A9 Segmental Reporting

For 12 months ended 29 February 2016:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	84,725	94,563	15,086	3,941	198,315
Inter-segment	-	(67,280)	-	(1,703)	(68,983)
	<u>84,725</u>	<u>27,283</u>	<u>15,086</u>	<u>2,238</u>	<u>129,332</u>
Segment Results	<u>6,420</u>	<u>1,579</u>	<u>(1,289)</u>	<u>(1,087)</u>	<u>5,623</u>
Interest income					654
Finance costs					(1,466)
Profit before taxation					<u>4,811</u>
Taxation					(1,625)
Profit for the year					<u>3,186</u>

For 12 months ended 28 February 2015:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	77,909	139,906	14,724	4,003	236,542
Inter-segment	-	(66,994)	-	(1,863)	(68,857)
	<u>77,909</u>	<u>72,912</u>	<u>14,724</u>	<u>2,140</u>	<u>167,685</u>
Segment Results	<u>16,143</u>	<u>3,328</u>	<u>(1,421)</u>	<u>839</u>	<u>18,889</u>
Interest income					815
Finance costs					(1,352)
Profit before taxation					<u>18,352</u>
Taxation					(5,007)
Profit for the year					<u>13,345</u>



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016

A10 Valuation of Property, Plant & Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the investment properties since the last balance sheet date.

A11 Material Events

There were no material events subsequent to the end of the current quarter.

A12 Changes in Composition of the Group

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

A13 Contingent Liabilities and Assets

Details of contingent liabilities of the Group as at the date of issue of the report are as follows:

	29.02.2016	28.02.2015
	RM'000	RM'000
Guarantees given issued by the Company for banking facilities granted to subsidiaries	100,382	34,523
Guarantees given to third parties in respect of trade performance	520	956
	<u>100,902</u>	<u>35,479</u>

There were no other material changes in contingent liabilities since the last annual reporting date. There were no contingent assets.

A14 Capital commitments

The capital commitments not provided for in the interim financial report as at 29 February 2016 is as follows:

	RM'000
Land held for property development:-	
Approved & contracted	<u>84,635</u>



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016

B Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

Revenue	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	29/02/16 RM'000	28/02/15 RM'000	Variance RM'000	29/02/16 RM'000	28/02/15 RM'000	Variance RM'000
Property Development	25,509	14,631	10,878	84,725	77,909	6,816
Property Construction	4,237	14,393	(10,156)	27,283	72,912	(45,629)
Chalet & Golf Management	5,056	3,933	1,123	15,086	14,724	362
Others	628	579	49	2,238	2,140	98
Total	35,430	33,536	1,894	129,332	167,685	(38,353)

Profit/(loss) before tax	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	29/02/16 RM'000	28/02/15 RM'000	Variance RM'000	29/02/16 RM'000	28/02/15 RM'000	Variance RM'000
Property Development	1,505	6,601	(5,096)	6,260	16,169	(9,909)
Property Construction	474	(82)	556	1,220	3,096	(1,876)
Chalet & Golf Management	292	(288)	580	(1,367)	(1,540)	173
Others	(483)	(387)	(96)	(1,302)	627	(1,929)
Total	1,788	5,844	(4,056)	4,811	18,352	(13,541)

The Group recorded higher revenue of RM35.430 million for the current quarter, an increase of RM1.894 million from the corresponding quarter due to increases in revenue for the property development division and chalet and golf management division, offset by a decline in property construction division's revenue.

For the current financial year, the Group posted a decline of RM38.353 million in revenue compared to the corresponding period of last financial year. The slowdown in revenue was due to the decline in property construction division's revenue.



EUPE CORPORATION BERHAD (377762-V)
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Profit before tax of RM1.788 million and RM4.811 million for the current quarter and current financial year respectively declined compared to the corresponding quarter and corresponding financial year for the Group. This was due largely to reduced pre-tax profit margins achieved by the property development division.

Property Development Division

The Group's property development division posted increase in revenue of RM10.878 million and RM6.816 million for the current quarter and current financial year, respectively compared to the previous corresponding periods.

Revenue increases for the current quarter and current financial year was due mainly to on-going development of key projects, notably the launch of Novum@South Bangsar, the Group's maiden property development project in Kuala Lumpur.

On the other hand, the division's profit before tax for the current quarter and the current financial year decreased compared to the corresponding quarter and corresponding financial year, due to the sale achieved and construction workdone on low profit margin projects.

Moreover, the significant, one-off marketing costs associated largely with the launch of the Novum project contributed to the lower profit before tax being posted for the current quarter.

Gains made on the one-off sale of land that were posted in the corresponding financial year and higher overhead for the current financial year had resulted in a lower profit before tax for the current financial year as compared to the corresponding financial year.

Property Construction Division

Given no new major construction projects commenced for the current financial year, the Group's property construction's revenue for the current quarter and current financial year declined by RM10.156 million and RM45.629 million respectively, compared to the corresponding quarter and corresponding financial year.

The division recorded a pre-tax profit of RM0.474 million for the current quarter, compared to a pre-tax loss of RM0.082 million recorded for the corresponding quarter. The pre-tax loss for the corresponding quarter was mainly due to a major project being undertaken by the division nearing completion. In line with lower revenue generated, the division posted lower profit before tax for the current financial year, compared to the corresponding financial year



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Chalet & Golf Management Division

Revenue for chalet & golf management division for the current quarter and current financial year increased by RM1.123 million and RM0.362 million respectively, compared to the corresponding quarter and corresponding financial year.

The division's improvement to its pre-tax profit margin, coupled with an increase in revenue, resulted in it turning around the corresponding quarter pre-tax loss to a profitable position. Pre-tax losses for the current financial year reduced by RM0.173 million compared to the corresponding financial year.

Others

Revenue of "Others" division, which includes the Group's property management and investment portfolio, for the current quarter and current financial year are comparable with the corresponding quarter and corresponding financial year.

The division recorded a slight increase in pre-tax losses for the current quarter compared to the corresponding quarter. This was mainly due to the increased overheads for the quarter.

The corresponding financial year recorded a better profit before tax although the revenue for both financial years has been static. This was mainly due to a one-off gain of RM2.336 million from fair value adjustment recognised in the corresponding financial year.

B2 Material Changes in the Quarterly Results

The higher profit before tax of the Group for the quarter under review compared to the immediate preceding quarter (4QFY2016: RM1.788 million vs 3QFY2016: RM0.343 million) was due to higher pre-tax contribution from property development division as well as the chalet & golf management division.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2016

B3 Prospects

Economic conditions, particularly in property, continue to be challenging. Uncertainties at both a local and global market level, continue to weigh on buyer sentiment and that has been particularly reflected in lower than projected sales figures in a number of our property development segments

The Group continues to look for ways to drive efficiencies and look for new opportunities across its operations to offset these conditions, in particular in our chalet and gold management division which is undergoing significant restructuring to improve its offering and reduce costs on a sustainable basis.

As noted in our previous financial year statement, the Group continues to be confident about the medium-term outlook for the economy and for Malaysia's property sector. It sees this period as a positive for the property market in terms of consolidating gains made after several years of strong growth.

With the launch of its first high-rise residential project in Kuala Lumpur in March, the Group remains firmly committed to its strategy of expanding and diversifying its property development offering with its entry into Malaysia's capital. The Group is continuing to focus on progressing a pipeline of residential projects in Kuala Lumpur that will grow revenue and establish the Group as competitive participant in the national property market.

B4 Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial year under review.

B5 Taxation

	Current Quarter 29.02.2016 RM'000	Year To-date 29.02.2016 RM'000
Current year taxation	1,491	2,989
Under provision in prior year	40	233
Deferred taxation	(1,188)	(1,597)
	<u>343</u>	<u>1,625</u>

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.



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B6 Profit/(Loss) Before Taxation

The following amounts have been included in arriving at profit / (loss) before taxation:

	Current Quarter 29.02.2016 RM'000	Year To-date 29.02.2016 RM'000
Interest income	372	654
Interest expense	(226)	(1,466)
Other income	278	895
Depreciation and amortization	(1,100)	(4,266)
Impairment loss on trade receivables	(392)	(394)

B7 Status of Corporate Proposal

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

B8 Group Borrowings and Debt Securities

The Group borrowings & debts securities as at 29 February 2016 were as follows:

	Secured RM'000
Bank Overdrafts	2,296
Short Term Bank Borrowings	25,224
Long Term Bank Borrowings	67,398
	<u>94,918</u>

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

B9 Changes in Material Litigation

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

B10 Realised and Unrealised Profits / Losses

The breakdown of retained profits of the Group as at the reporting date were analysed as follows:

	As at 29.02.2016 RM' 000	As at 28.02.2015 RM' 000
Total retained earnings of the Group:		
- Realised profits	167,671	165,211
- Unrealised losses	(13,560)	(15,008)
Total Group's retained profits as per consolidated accounts	<u>154,111</u>	<u>150,203</u>



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B11 Dividend Proposed

The Board of Directors do not recommend any interim dividend for the current financial year.

B12 Earnings per share

The earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial year by the weighted average number of ordinary shares in issue during the year.

	Current Quarter 29.02.2016 RM	Year To-date 29.02.2016 RM
<u>Basic earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	1,453	3,339
Weighted average number of ordinary shares ('000)	128,000	128,000
Basic earnings per share (sen)	1.14	2.61
<u>Diluted earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	1,453	3,339
Weighted average number of ordinary shares ('000)	128,000	128,000
Diluted earnings per share (sen)	1.14	2.61