

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION****SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016**

		3 Months Ended		9 Months Ended	
		Current Quarter 30 NOV 2016 RM '000	Corresponding Quarter 30 NOV 2015 RM '000	Current Period to date 30 NOV 2016 RM '000	Corresponding Period to date 30 NOV 2015 RM '000
1.	Revenue	34,927	35,449	111,538	93,902
2.	Profit/(Loss) before tax	(833)	343	5,064	3,023
3.	Profit/(Loss) for the period	(1,164)	(23)	392	1,741
4.	Profit/(Loss) attributable to ordinary equity holders of the company	(2,708)	48	(2,990)	1,886
5.	Basic earnings/(loss) per shares (sen)	(2.12)	0.04	(2.34)	1.47
6.	Proposed/declared dividend per share (sen)	0.00	0.00	0.00	0.00

		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)	2.23	2.25

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS****for the financial period ended 30 November 2016***(The figures have not been audited)*

	3 MONTHS ENDED		9 MONTHS ENDED	
	CURRENT QUARTER 30/11/2016 RM'000	CORRESPONDING QUARTER 30/11/2015 RM'000	CURRENT PERIOD TO DATE 30/11/2016 RM'000	CORRESPONDING PERIOD TO DATE 30/11/2015 RM'000
REVENUE	34,927	35,449	111,538	93,902
COST OF SALES	(26,788)	(31,259)	(81,522)	(78,272)
GROSS PROFIT	8,139	4,190	30,016	15,630
OTHER OPERATING INCOME	681	269	1,879	899
MARKETING AND DISTRIBUTION COSTS	(3,684)	(1,063)	(8,854)	(2,756)
ADMINISTRATION EXPENSES	(4,211)	(1,797)	(13,031)	(6,674)
OTHER OPERATING EXPENSES	(1,236)	(786)	(3,524)	(2,947)
FINANCE COSTS	(522)	(581)	(1,422)	(1,240)
SHARE OF RESULT IN JOINT VENTURES	-	111	-	111
PROFIT/(LOSS) BEFORE TAX	(833)	343	5,064	3,023
TAX EXPENSE	(331)	(366)	(4,672)	(1,282)
PROFIT/(LOSS) FOR THE PERIOD	<u>(1,164)</u>	<u>(23)</u>	<u>392</u>	<u>1,741</u>
PROFIT/(LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	(2,708)	48	(2,990)	1,886
NON-CONTROLLING INTERESTS	1,544	(71)	3,382	(145)
	<u>(1,164)</u>	<u>(23)</u>	<u>392</u>	<u>1,741</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
BASIC EARNINGS PER SHARE (SEN)	<u>(2.12)</u>	<u>0.04</u>	<u>(2.34)</u>	<u>1.47</u>
DILUTED EARNINGS PER SHARE (SEN)	<u>(2.12)</u>	<u>0.04</u>	<u>(2.34)</u>	<u>1.47</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 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 period ended 30 November 2016**

(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	CURRENT QUARTER	CORRESPONDING QUARTER	CURRENT PERIOD TO DATE	CORRESPONDING PERIOD TO DATE
	30/11/2016 RM'000	30/11/2015 RM'000	30/11/2016 RM'000	30/11/2015 RM'000
PROFIT/(LOSS) FOR THE PERIOD	(1,164)	(23)	392	1,741
OTHER COMPREHENSIVE INCOME				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
UNREALISED LOSS ON FOREIGN EXCHANGE	-	(33)	-	(169)
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	653	111	646	103
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>653</u>	<u>78</u>	<u>646</u>	<u>(66)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>(511)</u>	<u>55</u>	<u>1,038</u>	<u>1,675</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	(2,251)	126	(2,557)	1,820
NON-CONTROLLING INTERESTS	1,740	(71)	3,595	(145)
	<u>(511)</u>	<u>55</u>	<u>1,038</u>	<u>1,675</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 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 30 November 2016**

(The figures have not been audited)

	AS AT 30/11/2016 RM'000	AS AT 29/02/2016 RM'000
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	71,452	71,993
Other investments	7	7
Land held for property development	185,359	123,602
Investment properties	33,327	33,327
Investments in joint ventures	3,284	3,018
Deferred tax assets	1,021	1,021
	<u>294,450</u>	<u>232,968</u>
CURRENT ASSETS		
Property development costs	187,118	165,609
Inventories	14,373	13,303
Trade and other receivables	75,449	74,434
Sinking funds	936	213
Tax recoverables	1,479	1,152
Cash and bank balances	26,855	38,394
	<u>306,210</u>	<u>293,105</u>
TOTAL ASSETS	<u>600,660</u>	<u>526,073</u>
<u>EQUITY AND LIABILITIES</u>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	128,000	128,000
Reserves	157,598	160,155
	<u>285,598</u>	<u>288,155</u>
NON-CONTROLLING INTERESTS	8,709	5,114
Total equity	<u>294,307</u>	<u>293,269</u>
NON-CURRENT LIABILITIES		
Borrowings	116,329	67,398
Deferred tax liabilities	14,023	14,075
	<u>130,352</u>	<u>81,473</u>
CURRENT LIABILITIES		
Progress Billings	88,185	61,974
Trade and other payables	40,970	57,652
Provision for infrastructure & renovation cost	3,414	3,357
Borrowings	40,488	27,520
Current tax liabilities	2,944	828
	<u>176,001</u>	<u>151,331</u>
TOTAL EQUITY AND LIABILITIES	<u>600,660</u>	<u>526,073</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)		
	<u>2.23</u>	<u>2.25</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 and the accompanying explanatory notes attached to the financial Statements)

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****for the financial period ended 30 November 2016***(The figures have not been audited)*

	----- ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY -----					NON- CONTROLLING INTERESTS	TOTAL EQUITY
	---- Non-Distributable ----			Distributable			
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained profits RM'000	Sub-total RM'000	RM'000	RM'000
Balance as at 1 March 2016	128,000	5,982	63	154,110	288,155	5,114	293,269
Total comprehensive income/(loss)	-	-	433	(2,990)	(2,557)	3,595	1,038
Balance as at 30 November 2016	<u>128,000</u>	<u>5,982</u>	<u>496</u>	<u>151,120</u>	<u>285,598</u>	<u>8,709</u>	<u>294,307</u>
Balance as at 1 March 2015	128,000	5,982	(17)	150,204	284,169	4,965	289,134
Additional minority interest' shares in subsidiary companies	-	-	-	-	-	522	522
Total comprehensive income/(loss)	-	-	103	1,717	1,820	(145)	1,675
Balance as at 30 November 2015	<u>128,000</u>	<u>5,982</u>	<u>86</u>	<u>151,921</u>	<u>285,989</u>	<u>5,342</u>	<u>291,331</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 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 period ended 30 November 2016**

(The figures have not been audited)

	9 MONTHS ENDED	
	30/11/2016	30/11/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	141,956	106,273
Cash payments to suppliers and creditors	(115,588)	(105,853)
Cash payments to employees and for expenses	(25,787)	(19,725)
Cash from/(used in) operations	<u>581</u>	<u>(19,305)</u>
Interest expenses - overdraft	(211)	(71)
Rental income received	646	263
Deposit received/(paid)	(225)	52
Insurance compensation received	266	-
Tax paid	(2,928)	(3,787)
Net cash used in operating activities	<u>(1,871)</u>	<u>(22,848)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	652	290
Purchase of leasehold land	(65,373)	-
Purchase of property, plant and equipment	(3,802)	(1,947)
Proceed from disposal of property, plant and equipment	295	21
Subsequent expenditure on investment properties	-	(174)
Other investment	-	3,263
Fixed deposits released from pledge/(pledge to licensed bank)	(98)	358
Net cash (used in)/from investing activities	<u>(68,326)</u>	<u>1,811</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	-	522
Drawdown of revolving credit	26,000	1,500
Drawdown of term loan	64,684	34,700
Drawdown of hire purchase loan	-	250
Net creation of bankers' acceptance	(394)	407
Repayment of revolving credit	(10,000)	-
Repayment of term loan	(18,815)	(13,704)
Repayment of hire purchase loan	(492)	(518)
Term loan interest paid	(2,581)	(1,330)
Revolving credit interest paid	(531)	(336)
Discount paid on bankers' acceptance	(203)	(116)
Hire purchase interest paid	(82)	(118)
Net cash from financing activities	<u>57,586</u>	<u>21,257</u>
Net (decrease)/increase in cash and cash equivalents	<u>(12,611)</u>	<u>220</u>
Effect of exchange rate changes	59	130
Cash and cash equivalents at beginning of financial period	34,300	12,683
Cash and cash equivalents at end of financial period	<u><u>21,748</u></u>	<u><u>13,033</u></u>
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	16,141	15,566
Fixed deposits with licensed banks	10,714	2,694
Bank overdraft	(3,211)	(3,877)
	<u>23,644</u>	<u>14,383</u>
Less: Deposits pledged as collateral	(1,896)	(1,350)
	<u><u>21,748</u></u>	<u><u>13,033</u></u>

(The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 and the accompanying explanatory notes attached to the financial Statements.)



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 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 29 February 2016. 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 29 February 2016.

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 29 February 2016 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 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 2012-2014 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 2012-2014 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
- 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 2012-2014 Cycle)
- Amendments to FRS 127 Separate Financial Statements - Equity Method in Separate Financial Statements
- Amendments to FRS 134 Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report' (Annual Improvements 2012-2014 Cycle)

The adoptions of the above FRSs, Amendments to FRSs and 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 28 October 2015, the MASB announced that all transitioning entities shall comply with Malaysian Financial Reporting Standards (MFRSs) for annual period beginning on or after 1 January 2018, thus the Group and the Company will adopt the MFRS Framework for annual period beginning on or after 1 March 2018.

The Group has continued to prepare these financial statements for annual period beginning on 1 March 2016 in accordance with the FRSs issued by the MASB.

A3 Reports of the Auditor

The audited reports for the financial year ended 29 February 2016 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.

A5 Exceptional or Unusual Items

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

A6 Changes in Estimates

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

A7 Debt and Equity Securities

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

A8 Dividend Paid

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



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016

A9 Segmental Reporting

For 9 months ended 30 November 2016:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	93,693	66,243	6,763	2,010	168,709
Inter-segment	-	(56,939)	-	(232)	(57,171)
	<u>93,693</u>	<u>9,304</u>	<u>6,763</u>	<u>1,778</u>	<u>111,538</u>
Segment Results	<u>14,224</u>	<u>(3,607)</u>	<u>(4,724)</u>	<u>(59)</u>	<u>5,834</u>
Interest income					652
Finance costs					(1,422)
Profit before taxation					<u>5,064</u>
Taxation					(4,672)
Profit for the period					<u>392</u>

For 9 months ended 30 November 2015:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	59,216	70,376	10,030	2,196	141,818
Inter-segment	-	(47,330)	-	(586)	(47,916)
	<u>59,216</u>	<u>23,046</u>	<u>10,030</u>	<u>1,610</u>	<u>93,902</u>
Segment Results	<u>4,887</u>	<u>1,209</u>	<u>(1,447)</u>	<u>(668)</u>	<u>3,981</u>
Interest income					282
Finance costs					(1,240)
Profit before taxation					<u>3,023</u>
Taxation					(1,282)
Profit for the period					<u>1,741</u>

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.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016

A12 Changes in Composition of the Group

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

A13 Contingent Liabilities and Assets

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

	30.11.2016	29.02.2016
	RM'000	RM'000
Guarantees given issued by the Company for banking facilities granted to subsidiaries	163,213	100,382
Guarantees given to third parties in respect of trade performance	171	520
	<u>163,384</u>	<u>100,902</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 30 November 2016 is as follows:

	RM'000
Land held for property development: - Approved & contracted	<u>19,262</u>



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 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 9 months ended		
	30/11/16 RM'000	30/11/15 RM'000	Variance RM'000	30/11/16 RM'000	30/11/15 RM'000	Variance RM'000
Property Development	28,984	18,885	10,099	93,693	59,216	34,477
Property Construction	2,841	12,130	(9,289)	9,304	23,046	(13,742)
Chalet & Golf Management	2,436	3,854	(1,418)	6,763	10,030	(3,267)
Others	666	580	86	1,778	1,610	168
Total	34,927	35,449	(522)	111,538	93,902	17,636

Profit/(loss) before tax	Individual Quarter 3 months ended			Cumulative Quarter 9 months ended		
	30/11/16 RM'000	30/11/15 RM'000	Variance RM'000	30/11/16 RM'000	30/11/15 RM'000	Variance RM'000
Property Development	4,310	698	3,612	14,072	4,755	9,317
Property Construction	(3,876)	328	(4,204)	(3,882)	746	(4,628)
Chalet & Golf Management	(1,337)	(449)	(888)	(4,939)	(1,659)	(3,280)
Others	70	(234)	304	(187)	(819)	632
Total	(833)	343	(1,176)	5,064	3,023	2,041

In comparison with the corresponding quarter, the Group recorded a marginal decline of RM0.522 million in revenue. As a result, profit before tax of RM0.343 million for the corresponding quarter declined by RM1.176 million to a loss before tax of RM0.833 million for the current quarter. The decrease in revenue and profit before tax for the quarter were mainly attributable to the decrease in revenue for the Property Construction Division and Chalet & Golf Management Division of RM9.289 million and RM1.418 million respectively. These decreases were mitigated by increases of revenue and profit before tax recorded by the Property Development Division of RM10.099 million and RM3.612 million respectively.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
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For the current financial period, the Group increased overall revenue by RM17.636 million. This was mainly due to the increase in Property Development Division's revenue by RM34.477 million. However, this was partly offset by a fall of revenue in the Property Construction and Chalet & Golf Management Divisions of RM13.742 million and RM3.267 million respectively.

An overall increase in profit before tax of RM2.041 million was recorded in the current financial period, mainly due to an increase in the Property Development Division's profit before tax. The improvement for the Property Development Division's profit outcome was offset by an increase in loss before tax of RM4.628 million and RM3.280 million recorded by the Property Construction and Chalet & Golf Management Divisions respectively.

Property Development Division

Property Development Division's revenue increased by RM10.099 million and RM34.477 million respectively, compared to prior year's corresponding quarter and corresponding financial period. The improvement of revenue was mainly contributed by solid sales from the Group's maiden residential development project in The Greater Kuala Lumpur, namely Novum@Bangsar South.

This increase in revenue was partially offset by the slowdown in sales and work progress for development projects in Northern Malaysia.

As stated, the Property Development Division recorded an increased in profit reported for the quarter, although this increase was at slower pace noted compared to the increase in the Division's revenue for the same period. This difference was mainly due to the impact of marketing costs associated with the Novum@Bangsar South project which is usually higher at the early stage of project development.

Property Construction Division

Due to its current sole construction project, Alma Hill Park project, approaching completion, the Division's revenue dropped in the current quarter and current financial period by RM9.289 million and RM13.742 million respectively. The majority of revenue posted by the Division was generated from the sales of building materials.

The Division loss before tax, compared to prior year's corresponding quarter and corresponding financial period, resulting from the decrease in revenue and higher administrative overheads was compounded by shortfalls in the original costing procedures for the Alma project (leading to underestimates of costs), as well as the need to undertake unforeseen repair works. These issues have been thoroughly reviewed by the Division and improved costing and quality control processes are now in place with which to more efficiently manage future construction projects.



Chalet & Golf Management Division

Chalet & Golf Management Division's loss before tax increased in the current quarter and current financial period by RM0.888 million and RM3.280 million respectively. This result was mainly due to the fall of revenue during the current quarter and current financial period by RM1.418 million and RM3.267 million respectively, compared to prior year's corresponding quarter and corresponding financial period.

Cinta Sayang Resort ("CSR") has been undergoing renovation and refurbishment works since June 2016 to upgrade and reposition the business for higher market segments and long-term growth. Phase 1 of the CSR renovation was recently completed and soft launched to the public in the 4th quarter of 2016. As a result of these renovation works, CSR recorded low room sales and low sales from food & beverage during the period, which lead to a significant decrease of revenue and in turn a higher loss before tax. With the completion of refurbishments as well as the Carnivall Waterpark, the Group is expecting improved turnover in the subsequent quarters.

Others

The Group's revenue contributed by other business slightly improved over the quarter, due to increases in rental income. Profit before tax in current quarter and loss before tax during the current financial period improved slightly by RM0.304 million and RM0.632 million respectively, compared to prior year's corresponding quarter and corresponding financial period. This improvement was also due to the cessation of a loss making food & beverage business since June 2016 as well as one-off income from insurance compensation received during the period.

B2 Material Changes in the Quarterly Results

Revenue declined by RM4.041 million, to RM34.927 million for the current quarter, compared to RM38.968 million for the immediate preceding quarter. As a result, profits decreased by RM4.692 million, to a profit before tax result of RM3.859 million for the immediate preceding quarter and a loss before tax of RM0.833 million for the current quarter.

The overall drop in revenue and profit before tax were due largely to decreases in revenue and profit before tax recorded by the Property Development Division. The increase of loss before tax in the Property Construction Division also contributed to the overall drop of profit before tax for the Group.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
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B3 Prospects

The Malaysian economy continues to grow in line with forecasts of sustained growth between 4.0% to 4.5%. Domestic demand will continue to be the principal driver of economic growth. A recent easing of the Overnight Policy Rate (OPR) signals that recent borrowing restrictions on home finance are easing and that the reduction of 25 basis points of the OPR is likely to have a positive impact to the property sector.

Despite a continuing growth path for the national economy, ongoing global economic uncertainty combined with soft consumer demand means the outlook for the property industry remains challenging in short-term. Despite these challenges, the Group remains firmly focussed on its medium to long-term growth plan of successfully executing a consistent pipeline of innovative, sought-after high-rise residential projects in The Greater Kuala Lumpur while ensuring its property developments in the Group's established markets of Northern Malaysia attract consistent sales.

B4 Profit Forecast

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

B5 Taxation

	Current Quarter 30.11.2016 RM'000	Period To-date 30.11.2016 RM'000
Current year taxation	362	4,723
Deferred taxation	(31)	(51)
	<u>331</u>	<u>4,672</u>

The effective tax rate for the financial period 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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NOTES TO THE FINANCIAL STATEMENTS
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B6 Profit/(Loss) Before Taxation

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

	Current Quarter 30.11.2016 RM'000	Period To-date 30.11.2016 RM'000
Interest income	204	652
Interest expense	(522)	(1,422)
Other income	477	1,227
Depreciation and amortisation	(1,002)	(3,136)

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 30 November 2016 were as follows:

	Secured RM'000
Bank Overdrafts	3,211
Short Term Bank Borrowings	37,277
Long Term Bank Borrowings	116,329
	<u>156,817</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 period.

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 30.11.2016 RM' 000	As at 30.11.2015 RM' 000
Total retained earnings of the Group:		
- Realised profits	164,122	165,917
- Unrealised losses	(13,002)	(13,996)
Total Group's retained profits as per consolidated accounts	<u>151,120</u>	<u>151,921</u>



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2016

B11 Dividend Proposed

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

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 period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter 30.11.2016 RM	Period To-date 30.11.2016 RM
<u>Basic earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	(2,708)	(2,990)
Weighted average number of ordinary shares ('000)	128,000	128,000
Basic earnings/(loss) per share (sen)	(2.12)	(2.34)
<u>Diluted earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	(2,708)	(2,990)
Weighted average number of ordinary shares ('000)	128,000	128,000
Diluted earnings/(loss) per share (sen)	(2.12)	(2.34)