



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

		Quarter Ended		Year-To-Date Ended	
		31.05.2017 RM '000	31.05.2016 RM '000	31.05.2017 RM '000	31.05.2016 RM '000
1.	Revenue	57,714	37,644	57,714	37,644
2.	Profit before tax	4,656	2,038	4,656	2,038
3.	Profit for the period	3,068	816	3,068	816
4.	Profit attributable to equity holders of the company	990	263	990	263
5.	Basic earnings per shares (sen)	0.77	0.21	0.77	0.21
6.	Proposed/declared dividend per share (sen)	-	-	-	-

		AS AT 31.05.2017	AS AT 28.02.2017
7.	Net assets per share attributable to equity holders of the parent (RM)	2.20	2.20



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

	Quarter Ended		Year-To-Date Ended	
	31.05.2017	31.05.2016	31.05.2017	31.05.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	57,714	37,644	57,714	37,644
Cost of Sales	(44,302)	(27,826)	(44,302)	(27,826)
Gross Profit	13,412	9,818	13,412	9,818
Other Operating Income	448	539	448	539
Marketing and Distribution Costs	(3,199)	(2,633)	(3,199)	(2,633)
Administrative Expenses	(4,010)	(4,292)	(4,010)	(4,292)
Other Operating Expenses	(1,320)	(1,012)	(1,320)	(1,012)
Finance Costs	(675)	(382)	(675)	(382)
Profit Before Tax	4,656	2,038	4,656	2,038
Tax Expense	(1,588)	(1,222)	(1,588)	(1,222)
Profit for the Period	3,068	816	3,068	816
Other Comprehensive Income				
Foreign Currency Translation differences for Foreign Operation	(512)	(130)	(512)	(130)
Total Comprehensive Income for the Period	2,556	686	2,556	686
Profit Attributable to:				
Equity Holders of the Company	990	263	990	263
Non-Controlling Interest	2,078	553	2,078	553
	3,068	816	3,068	816
Total Comprehensive Income Attributable to:				
Equity Holders of the Company	721	153	721	153
Non-Controlling Interest	1,835	533	1,835	533
	2,556	686	2,556	686
Basic Earnings Per Share				
Attributable to Equity Holders of the Company (Sen)	0.77	0.21	0.77	0.21

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2017 and the accompanying explanatory notes attached to these Condensed Report.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2017

	AS AT 31.05.2017 RM'000	AS AT 28.02.2017 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	71,644	72,190
Investments in joint ventures	3,192	3,410
Other investments	7	7
Land held for property development	139,866	188,184
Investment properties	33,437	33,437
Deferred tax assets	882	892
	<u>249,028</u>	<u>298,120</u>
Current Assets		
Property development costs	235,049	182,249
Inventories	13,908	13,919
Trade and other receivables	73,681	61,399
Sinking funds	896	184
Tax recoverable	2,613	2,446
Cash and bank balances	18,587	29,609
	<u>344,734</u>	<u>289,806</u>
TOTAL ASSETS	<u>593,762</u>	<u>587,926</u>



EUPE CORPORATION BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2017 (CONTINUED)

	AS AT 31.05.2017 RM'000	AS AT 28.02.2017 RM'000
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	128,000	128,000
Share premium	5,982	5,982
Reserves	148,055	147,334
	<u>282,037</u>	<u>281,316</u>
Non-Controlling Interest	10,466	8,631
TOTAL EQUITY	<u>292,503</u>	<u>289,947</u>
Non-Current Liabilities		
Borrowings	101,395	102,073
Deferred tax liabilities	13,938	13,619
	<u>115,333</u>	<u>115,692</u>
Current Liabilities		
Trade and other payables	127,476	133,720
Provision for infrastructure & renovation cost	3,220	3,302
Borrowings	52,483	43,160
Current tax liabilities	2,747	2,105
	<u>185,926</u>	<u>182,287</u>
TOTAL LIABILITIES	<u>301,259</u>	<u>297,979</u>
TOTAL EQUITY AND LIABILITIES	<u>593,762</u>	<u>587,926</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>2.20</u>	<u>2.20</u>

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2017 and the accompanying explanatory notes attached to these Condensed Report.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2017

	← Attributable to Equity Holders of the Company →				Total RM'000	Non - Controlling Interest RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Foreign Currency Translation reserve RM'000	Retained profits RM'000			
Balance as at 1 March 2017	128,000	5,982	613	146,721	281,316	8,631	289,947
Profit for the period	-	-	-	990	990	2,078	3,068
Other Comprehensive Income	-	-	(269)	-	(269)	(243)	(512)
Total comprehensive income	-	-	(269)	990	721	1,835	2,556
Balance as at 31 May 2017	<u>128,000</u>	<u>5,982</u>	<u>344</u>	<u>147,711</u>	<u>282,037</u>	<u>10,466</u>	<u>292,503</u>
Balance as at 1 March 2016	128,000	5,982	63	154,111	288,156	5,114	293,270
Profit for the period	-	-	-	263	263	553	816
Other Comprehensive Income	-	-	(110)	-	(110)	(20)	(130)
Total comprehensive income	-	-	(110)	263	153	533	686
Balance as at 31 May 2016	<u>128,000</u>	<u>5,982</u>	<u>(47)</u>	<u>154,374</u>	<u>288,309</u>	<u>5,647</u>	<u>293,956</u>

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2017 and the accompanying explanatory notes attached to these Condensed Report.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2017

	Year-To-Date Ended	
	31.05.2017	31.05.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	45,593	46,962
Cash payments to suppliers and creditors	(56,043)	(57,514)
Cash payments to employees and for expenses	(7,001)	(6,822)
Cash used in operations	(17,451)	(17,374)
Bank overdraft interest paid	(47)	(55)
Rental income received	384	133
Deposit refunded	(322)	(214)
Tax refund	124	-
Tax paid	(1,233)	(615)
Net cash used in operating activities	(18,545)	(18,125)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	197	251
Management fees received	63	-
Purchase of leasehold land	-	(24,500)
Purchase of property, plant and equipment	(282)	(65)
Subsequent expenditure on investment properties	(78)	-
Net cash used in investing activities	(100)	(24,314)



EUPE CORPORATION BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR-TO-DATE ENDED 31 MAY 2017

	Year-To-Date Ended	
	31.05.2017	31.05.2016
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of revolving credit	8,510	6,000
Drawdown of term loan	6,862	25,738
Net creation of bankers' acceptance	1,303	(398)
Repayment of revolving credit	(600)	-
Repayment of term loan	(6,143)	(1,380)
Repayment of hire purchase loan	(166)	(171)
Term loan interest paid	(574)	(369)
Revolving credit interest paid	(290)	(65)
Discount paid on bankers' acceptance	(94)	(40)
Hire purchase interest paid	(21)	(2)
Fixed deposits pledged to licensed bank	(1,201)	-
Net cash from financing activities	7,586	29,313
Net decrease in cash and cash equivalents	(11,059)	(13,126)
Effect of exchange rate changes	(43)	(17)
Cash and cash equivalents at beginning of financial year	24,132	34,300
Cash and cash equivalents at end of financial year	13,030	21,157
Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	9,780	12,511
Fixed deposits with licensed banks	8,807	12,832
	18,587	25,343
Less: Bank overdraft	(2,538)	(2,388)
Deposits pledged as collateral	(3,019)	(1,798)
	13,030	21,157

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2017 and the accompanying explanatory notes attached to these Condensed Report.



EUPE CORPORATION BERHAD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part A: Explanatory Notes Pursuant to FRS 134

A1 Basis of Preparation

The Condensed Consolidated Interim Financial Statements (“Condensed Report”) have been prepared in accordance with FRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Report is unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 28 February 2017. The explanatory notes attached to the Condensed Report 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 financial year ended 28 February 2017.

A2 Accounting Policies

The accounting policies adopted in preparing the Condensed Report are consistent with those used in the audited financial statements for the financial year ended 28 February 2017 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 2017

- Amendments to FRS 107 Statement of Cash Flows – Disclosure Initiative
- Amendments to FRS 112 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 12 Disclosure of Interests in Other Entities (Annual Improvements 2014-2016 Cycle)

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the MASB but not yet effective in current financial reporting period of the Group and the Company beginning on 1 March 2017, thus have not been adopted in this Condensed Report.

FRSs, Amendments to FRSs and Interpretations effective for annual periods beginning on or after 1 January 2018

- FRS 9 *Financial Instruments*
- Amendments to FRS 2 *Share-based Payment* – Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 4 *Insurance Contracts* – Applying FRS 9 Financial Instruments with FRS 4 *Insurance Contracts*
- Amendments to FRS 128 *Investment in Associates and Joint Ventures* (Annual Improvements to FRS Standards 2014-2016 Cycle)
- Amendments to FRS 140 – *Transfers of Investment Property*
- IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part A: Explanatory Notes Pursuant to FRS 134 (Contd.)

A2 Accounting Policies (contd.)

As provided by paragraph 7.1.1AA of FRS 9 *Financial Instruments* (2014), 63DAA of FRS 2 *Share-based Payment*, 47AA of FRS 4 *Insurance Contracts*, 39ADAA of FRS 1 *First-time Adoption of Financial Reporting Standards*, 45EAA of FRS 128 *Investments in Associates and Joint Ventures*, 85GAA of FRS 140 *Investment Property* and A1AA of IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*, an entity that has in the alternative applied the Financial Reporting Standards Framework shall apply the MFRS Framework on 1 January 2018.

Therefore, the Group and the Company shall instead apply MFRS 9 *Financial Instruments* (2014), Amendments to MFRS 2, Amendments to MFRS 4, Amendments to MFRS 1 (Annual Improvement 2014-2016 Cycle), Amendments to MFRS 128 (Annual Improvement 2014-2016 Cycle), Amendments to MFRS 140 and IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* under MFRS Framework, instead of FRS 9 *Financial Instruments* (2014), Amendments to FRS 2, Amendments to FRS 4, Amendments to FRS 1 (Annual Improvement 2014-2016 Cycle), Amendments to FRS 128 (Annual Improvement 2014-2016 Cycle), Amendments to FRS 140 and IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* under FRS Framework, on or after 1 January 2018.

FRSs, Amendments to FRSs and Interpretations effective a date yet to be confirmed

- 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

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 Framework (MFRS Framework)

The Group and the Company fall under the Transitioning Entities provision granted by the Malaysia Accounting Standards Board (“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, MASB announced that all transitioning entities shall comply with Malaysian Financial Reporting Standards 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 the Condensed Report for annual period beginning on 1 March 2017 in accordance with the FRSs issued by the MASB.



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part A: Explanatory Notes Pursuant to FRS 134 (Contd.)

A3 Reports of the Auditor

The auditors' report for the preceding financial year ended 28 February 2017 was 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 Chalet and Golf Management Division which normally peaks during major festive seasons and holidays.

A5 Unusual Items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, net income or cash flow of the Group during the financial quarter and Year-To-Date ended 31 May 2017.

A6 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the financial quarter and Year-To-Date ended 31 May 2017.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter and Year-To-Date ended 31 May 2017.

The new Companies Act 2016 ("the Act"), which come into enforcement on 31 January 2017, abolished the concept of authorised share capital and introduced "no par value shares" regime. Consequently, the amounts standing to the credit of the share premium account shall become part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM5,982,000 for purposes as set out in Section 618 (3) of the Act. As at the date of this Condensed Report, the directors have yet to decide on any utilisation of the share premium.

A8 Dividend Paid

There was no dividend paid during the financial quarter and Year-To-Date ended 31 May 2017.



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part A: Explanatory Notes Pursuant to FRS 134 (Contd.)

A9 Segmental Reporting

Financial Year-To-Date ended 31 May 2017:

	Property Development RM'000	Property Construction RM'000	Property Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	51,412	17,286	2,671	648	72,017
Elimination of inter- segment revenue	-	(14,128)	(88)	(87)	(14,303)
	51,412	3,158	2,583	561	57,714
Segment Results	6,203	(239)	(871)	42	5,135
Interest income	191	1	-	4	196
Finance costs	(388)	(101)	(147)	(39)	(675)
Profit before tax	6,006	(339)	(1,018)	7	4,656
Tax expense	(1,496)	(59)	-	(33)	(1,588)
Profit after tax	4,510	(398)	(1,018)	(26)	3,068

Financial Year-to-date ended 31 May 2016:

	Property Development RM'000	Property Construction RM'000	Property Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	30,960	21,074	2,510	693	55,237
Elimination of inter- segment revenue	-	(17,466)	-	(127)	(17,593)
	30,960	3,608	2,510	566	37,644
Segment Results	3,546	203	(1,428)	(152)	2,169
Interest income	241	1	1	8	251
Finance costs	(211)	(55)	(71)	(45)	(382)
Profit before tax	3,576	149	(1,498)	(189)	2,038
Tax expense	(329)	(839)	-	(54)	(1,222)
Profit after tax	3,247	(690)	(1,498)	(243)	816



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Notes to the financial STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part A: Explanatory Notes Pursuant to FRS 134 (Contd.)

A10 Related Party Disclosures

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

A11 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.

A12 Material Events

There were no material events subsequent to the financial quarter and Year-To-Date ended 31 May 2017.

A13 Changes in Composition of the Group

There were no material changes in the composition of the Group during the financial quarter and Year-To-Date ended 31 May 2017.

A14 Contingent Liabilities and Assets

Details of contingent liabilities of the Group as at the balance sheet date are as follows:

	31.05.2017	28.02.2017
	RM'000	RM'000
Guarantees given issued by the Company for banking facilities granted to subsidiaries	161,147	151,612
Guarantees given to suppliers of a subsidiary	<u>257</u>	<u>293</u>

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

A15 Capital commitments

The capital commitment not provided for in the Condensed Report as at the end of the financial year is as follows:

	RM'000
Acquisition of leasehold lands	
Contracted but not provided for	<u>19,262</u>



EUPE CORPORATION BERHAD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

Revenue	Quarter Ended			Year-To-Date Ended		
	31.05.2017	31.05.2016	Variance	31.05.2017	31.05.2016	Variance
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	51,412	30,960	20,452	51,412	30,960	20,452
Property Construction	3,158	3,608	(450)	3,158	3,608	(450)
Chalet & Golf Management	2,583	2,510	73	2,583	2,510	73
Others	561	566	(5)	561	566	(5)
Total	57,714	37,644	20,070	57,714	37,644	20,070

Profit / (Loss) before Tax	Quarter Ended			Year-To-Date Ended		
	31.05.17	31.05.16	Variance	31.05.17	31.05.16	Variance
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	6,006	3,576	2,430	6,006	3,576	2,430
Property Construction	(339)	149	(488)	(339)	149	(488)
Chalet & Golf Management	(1,018)	(1,498)	480	(1,018)	(1,498)	480
Others	7	(189)	196	7	(189)	196
Total	4,656	2,038	2,618	4,656	2,038	2,618

The Group's revenue of RM57.7 million for the current financial quarter and year-to-date ended 31 May 2017, ("Q1FY18") was RM20.1 million, or 53% higher than the revenue of RM37.6 million for the preceding year's corresponding quarter and year-to-date period ended 31 May 2016 ("Q1FY17").

Correspondingly, the Group's Profit Before Tax ("PBT") increased from RM2.0 million for Q1FY17 to RM4.7 million for Q1FY18.



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

B1 Review of Performance (Continued)

The increase of the Group's revenue and PBT was mainly attributed to the advancement of construction work progress and improved sales of the Group's Property Development projects, particularly from Novum at South Bangsar ("Novum") as sale take-up rate from Eupe's first residential project in Kuala Lumpur increased.

Property Development Division ("PDD")

During Q1FY18, PDD recorded total revenue of RM51.4 million, which was 66% higher than that achieved in Q1FY17. This was due to construction progress of Novum continuing to build momentum as well as reflecting higher sales take-up rate achieved compared to the Q1FY17, when Novum was newly launched. Revenue for PDD was further enhanced by improvement in sales and construction work for PDD's affordable housing projects in the Northern Region.

In line with this increase in revenue, PDD's PBT also increased, by 68% or RM2.4 million over the period, from RM3.6 million in Q1FY17 to RM6.0 million in Q1FY18. Again, this was mainly due to higher sales and work progress achieved by the Novum project.

Property Construction Division ("PCD")

PCD recorded a revenue of RM3.2 million and Loss Before Tax ("LBT") of RM0.3 million for Q1FY18, compared to revenue and PBT of RM3.6 million and RM0.1 million respectively for Q1FY17.

Currently, PCD is carrying out in-house construction contract works for development projects in Northern Region as well as the supply of building materials to its sub-contractors for these projects. The transactions in relation to the in-house construction contract works has been eliminated in full on consolidation.

Chalet & Golf Management Division ("CGMD")

Performance of CGMD for current quarter improved slightly, compared to preceding year corresponding period but the Division is continuing to experience losses as it undertakes a turnaround of the business. CGMD revenue for Q1FY18 showed a marginal increase to RM2.6 million, compared to the RM2.5 million in Q1FY17. Cost rationalisation measures were implemented by the management team during the previous quarter to offset the impact of subdued market conditions. This resulted in a reduction of CGMD's LBT from RM1.5 million in Q1FY17 to RM1.0 million in current quarter.



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FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

B1 Review of Performance (Continued)

Others

The Others Division represents the rental from investment and tenanted properties as well as fruit cultivation. Revenue of the division for the current quarter totalled RM0.6 million, consistent with the revenue recorded in preceding year's corresponding quarter. The division recorded a break-even position for the quarter, compared to a RM0.2 million loss recorded for the same quarter of the previous financial year, the result of shutting down a loss-making subsidiary of the division.

B2 Material Changes in the Quarterly Results

The Group's total revenue increased slightly from RM55.7 million for the immediate preceding quarter to RM57.7 million in current quarter, due to solid progress in the construction works of PDD's projects, combined with a better sales take-up rate for PDD properties in the affordable housing segment..

Meanwhile, the Group's profit results improved from a LBT of RM4.5 million for immediate preceding quarter to a PBT of RM4.7 million for current quarter, due to a one-off unbudgeted construction cost to complete the Alma Hill Park project incurred in the prior quarter.

B3 Prospects

The overall outlook and underlying fundamentals for the Malaysian economy continue to be positive, despite consumer demand continuing to be soft due to a lower ringgit and other inflationary pressures. While property industry market conditions continue to be challenging in the short-term, we expect the market to show some signs of an upswing in demand over the next year and for overall economic conditions and consumer demand to consolidate.

B4 Profit Forecast

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



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

B5 Taxation

	Quarter and Year-To Date ended	
	31.05.2017	31.05.2016
	RM'000	RM'000
Current year taxation	1,589	1,231
Deferred taxation	(1)	(9)
	<u>1,588</u>	<u>1,222</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.

B6 Profit / (Loss) Before Taxation

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

	Quarter and Year-To Date ended	
	31.05.2017	31.05.2016
	RM'000	RM'000
Interest income	196	251
Interest expense	(675)	(382)
Other income	252	288
Depreciation and amortisation	<u>(854)</u>	<u>(1,078)</u>

B7 Status of Corporate Proposal

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



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

B8 Group Borrowings and Debt Securities

The Group borrowings & debts securities as at 31 May 2017 were as follows:

	Secured RM'000	Unsecured RM'000
Bank Overdrafts	2,538	-
Short Term Bank Borrowings	49,723	222
Long Term Bank Borrowings	101,249	146
	<u>153,510</u>	<u>368</u>

B9 Changes in Material Litigation

There were no material litigations, which would have a material adverse effect on the financial results for the financial quarter and Year-To-Date ended 31 May 2017.

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 31.05.2017 RM' 000	As at 28.2.2017 RM' 000
Total retained earnings of the Group:		
- Realised profits	160,767	159,448
- Unrealised losses	(13,056)	(12,727)
	<u>147,711</u>	<u>146,721</u>

B11 Dividend Proposed

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



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 31 MAY 2017

Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Continued)

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.

	Quarter and Year-To Date ended	
	31.05.2017	31.05.2016
<u>Basic earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	990	263
Weighted average number of ordinary shares ('000)	128,000	128,000
Basic earnings per share (sen)	0.77	0.21

B13 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 27 July 2017.