



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

| | | Quarter Ended | | Year-To-Date Ended | |
|----|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | | 30.11.2017 RM '000 | 30.11.2016 RM '000 | 30.11.2017 RM '000 | 30.11.2016 RM '000 |
| 1. | Revenue | 70,421 | 34,927 | 222,648 | 111,538 |
| 2. | Profit/(Loss) before tax | 8,829 | (833) | 23,040 | 5,064 |
| 3. | Profit/(Loss) for the period | 8,068 | (1,164) | 17,599 | 392 |
| 4. | Profit/(Loss) attributable to equity holders of the company | 2,661 | (2,708) | 7,513 | (2,990) |
| 5. | Basic earnings/(Loss) per shares (sen) | 2.08 | (2.12) | 5.87 | (2.34) |
| 6. | Proposed/declared dividend per share (sen) | - | - | - | - |

| | | AS AT 30.11.2017 | AS AT 28.02.2017 |
|----|--|------------------|------------------|
| 7. | Net assets per share attributable to equity holders of the parent (RM) | 2.25 | 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 30 NOVEMBER 2017

| | Quarter Ended | | Year-To-Date Ended | |
|--|---------------|----------------|--------------------|--------------|
| | 30.11.2017 | 30.11.2016 | 30.11.2017 | 30.11.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 70,421 | 34,927 | 222,648 | 111,538 |
| Cost of Sales | (53,943) | (26,788) | (174,048) | (81,522) |
| Gross Profit | 16,478 | 8,139 | 48,600 | 30,016 |
| Other Operating Income | 425 | 681 | 1,588 | 1,879 |
| Marketing and Distribution Costs | (4,006) | (3,684) | (10,139) | (8,854) |
| Administrative Expenses | (4,558) | (4,211) | (13,876) | (13,031) |
| Other Operating Expenses | (1,522) | (1,236) | (3,816) | (3,524) |
| Finance Costs | (584) | (522) | (1,913) | (1,422) |
| Share of Results in Joint Venture | 2,596 | - | 2,596 | - |
| Profit/(Loss) Before Tax | 8,829 | (833) | 23,040 | 5,064 |
| Tax Expense | (761) | (331) | (5,441) | (4,672) |
| Profit/(Loss) for the Period | 8,068 | (1,164) | 17,599 | 392 |
| Other Comprehensive Income | | | | |
| Foreign Currency Translation differences for Foreign Operation | (575) | 653 | (570) | 646 |
| Total Comprehensive Income for the Period | 7,493 | (511) | 17,029 | 1,038 |
| Profit/(Loss) Attributable to: | | | | |
| Equity Holders of the Company | 2,661 | (2,708) | 7,513 | (2,990) |
| Non-Controlling Interest | 5,407 | 1,544 | 10,086 | 3,382 |
| | 8,068 | (1,164) | 17,599 | 392 |
| Total Comprehensive Income / (Expense) Attributable to: | | | | |
| Equity Holders of the Company | 2,121 | (2,251) | 7,228 | (2,557) |
| Non-Controlling Interest | 5,372 | 1,740 | 9,801 | 3,595 |
| | 7,493 | (511) | 17,029 | 1,038 |
| Basic Earnings/(Loss) Per Share | | | | |
| Attributable to Equity Holders of the Company (Sen) | 2.08 | (2.12) | 5.87 | (2.34) |

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 Reports.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2017

| | AS AT 30.11.2017 RM'000 | AS AT 28.02.2017 RM'000 |
|------------------------------------|-------------------------------|-------------------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 70,488 | 72,190 |
| Investments in joint venture | 3,272 | 3,410 |
| Other investments | 7 | 7 |
| Land held for property development | 151,660 | 188,184 |
| Investment properties | 48,978 | 33,437 |
| Deferred tax assets | 882 | 892 |
| | <u>275,287</u> | <u>298,120</u> |
| Current Assets | | |
| Property development costs | 174,509 | 182,249 |
| Inventories | 13,206 | 13,919 |
| Trade and other receivables | 90,004 | 61,399 |
| Sinking funds | 194 | 184 |
| Tax recoverable | 3,555 | 2,446 |
| Cash and bank balances | 28,036 | 29,609 |
| | <u>309,504</u> | <u>289,806</u> |
| TOTAL ASSETS | <u>584,791</u> | <u>587,926</u> |



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2017 (Contd.)

| | AS AT 30.11.2017 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 | 154,562 | 147,334 |
| | <u>288,544</u> | <u>281,316</u> |
| Non-Controlling Interest | 18,432 | 8,631 |
| TOTAL EQUITY | <u>306,976</u> | <u>289,947</u> |
| Non-Current Liabilities | | |
| Borrowings | 111,341 | 102,073 |
| Deferred tax liabilities | 13,373 | 13,619 |
| | <u>124,714</u> | <u>115,692</u> |
| Current Liabilities | | |
| Trade and other payables | 81,521 | 133,720 |
| Provision for infrastructure & renovation cost | 9,347 | 3,302 |
| Borrowings | 57,419 | 43,160 |
| Current tax liabilities | 4,814 | 2,105 |
| | <u>153,101</u> | <u>182,287</u> |
| TOTAL LIABILITIES | <u>277,815</u> | <u>297,979</u> |
| TOTAL EQUITY AND LIABILITIES | <u>584,791</u> | <u>587,926</u> |
| Net Assets Per Share Attributable to Equity Holders of the Company (RM) | <u>2.25</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 Reports.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR-TO-DATE ENDED 30 NOVEMBER 2017

| | ← Attributable to Equity Holders of the Company → | | | | | | |
|---|---|----------------------------|--|-------------------------------|-----------------|--|-----------------|
| | ← Non-Distributable → | | | Distributable | | | |
| | Share capital RM'000 | Share premium RM'000 | Foreign Currency Translation reserve RM'000 | Retained profits RM'000 | Total RM'000 | Non - Controlling Interest RM'000 | Total 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 | - | - | - | 7,513 | 7,513 | 10,086 | 17,599 |
| Other Comprehensive Expenses | - | - | (285) | - | (285) | (285) | (570) |
| Total comprehensive (expenses)/ income | - | - | (285) | 7,513 | 7,228 | 9,801 | 17,029 |
| Balance as at 30 November 2017 | 128,000 | 5,982 | 328 | 154,234 | 288,544 | 18,432 | 306,976 |
| Balance as at 1 March 2016 | 128,000 | 5,982 | 63 | 154,110 | 288,155 | 5,114 | 293,269 |
| Profit for the period | - | - | - | (2,990) | (2,990) | 3,382 | 392 |
| Other Comprehensive Income | - | - | 433 | - | 433 | 213 | 646 |
| Total comprehensive income / (expense) | - | - | 433 | (2,990) | (2,557) | 3,595 | 1,038 |
| Balance as at 30 November 2016 | 128,000 | 5,982 | 496 | 151,120 | 285,598 | 8,709 | 294,307 |

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 Reports.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR-TO-DATE ENDED 30 NOVEMBER 2017

| | Year-To-Date Ended | |
|--|--------------------|------------|
| | 30.11.2017 | 30.11.2016 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 137,047 | 141,956 |
| Cash payments to suppliers and creditors | (118,614) | (115,588) |
| Cash payments to employees and for expenses | (24,445) | (25,787) |
| Cash (used in)/generated from operations | (6,012) | 581 |
| Bank overdraft interest paid | (159) | (211) |
| Rental income received | 147 | 646 |
| Deposit received/ (refunded) | 230 | (225) |
| Insurance compensation received | 75 | 266 |
| Tax refund | 98 | - |
| Tax paid | (4,178) | (2,928) |
| Net cash used in operating activities | (9,799) | (1,871) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest income received | 572 | 652 |
| Purchase of leasehold land | - | (65,373) |
| Purchase of property, plant and equipment | (1,123) | (3,802) |
| Purchase of investment properties | (12,958) | - |
| Proceed from disposal of property, plant and equipment | 6 | 295 |
| Proceed from disposal of investment properties | 555 | - |
| Investment in unit trust / other investments | 3,323 | - |
| Subsequent expenditure on investment properties | (100) | - |
| Net cash used in investing activities | (9,725) | (68,228) |



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR-TO-DATE ENDED 30 NOVEMBER 2017 (Contd.)

| | Year-To-Date Ended | |
|---|--------------------|------------|
| | 30.11.2017 | 30.11.2016 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of revolving credit | 19,920 | 26,000 |
| Drawdown of term loan | 46,473 | 64,684 |
| Net creation of bankers' acceptance | (3,104) | (394) |
| Repayment of revolving credit | (8,400) | (10,000) |
| Repayment of term loan | (30,070) | (18,815) |
| Repayment of hire purchase loan | (507) | (492) |
| Term loan interest paid | (4,192) | (2,581) |
| Revolving credit interest paid | (892) | (531) |
| Discount paid on bankers' acceptance | (215) | (203) |
| Hire purchase interest paid | (55) | (82) |
| Fixed deposits pledged to licensed bank | (894) | (98) |
| Net cash from financing activities | 18,064 | 57,488 |
| Net decrease in cash and cash equivalents | (1,460) | (12,611) |
| Effect of exchange rate changes | (222) | 59 |
| Cash and cash equivalents at beginning of financial year | 24,132 | 34,300 |
| Cash and cash equivalents at end of financial year | 22,450 | 21,748 |
| Cash and cash equivalents at end of financial year comprise the following : | | |
| Cash and bank balances | 19,522 | 16,141 |
| Fixed deposits with licensed banks | 8,514 | 10,714 |
| | 28,036 | 26,855 |
| Less: Bank overdraft | (2,874) | (3,211) |
| Deposits pledged as collateral | (2,712) | (1,896) |
| | 22,450 | 21,748 |

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 Reports.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 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*



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 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.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 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 30 November 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 30 November 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 30 November 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 30 November 2017.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

A9 Segmental Reporting

Financial Year-To-Date ended 30 November 2017:

| | Property Development RM'000 | Property Construction RM'000 | Chalet & Golf Management RM'000 | Others RM'000 | Total RM'000 |
|--|-----------------------------------|------------------------------------|---------------------------------------|------------------|-----------------|
| Revenue | 201,920 | 45,022 | 8,630 | 2,447 | 258,019 |
| Elimination of inter- segment revenue | - | (34,870) | - | (501) | (35,371) |
| | 201,920 | 10,152 | 8,630 | 1,946 | 222,648 |
| Segment Results | 28,515 | (1,206) | (2,598) | (159) | 24,552 |
| Interest income | 346 | 3 | 14 | 38 | 401 |
| Finance costs | (1,170) | (234) | (419) | (90) | (1,913) |
| Profit/(Loss) before tax | 27,691 | (1,437) | (3,003) | (211) | 23,040 |
| Tax expense | (5,503) | (1) | 223 | (160) | (5,441) |
| Profit/(Loss) after tax | 22,188 | (1,438) | (2,780) | (371) | 17,599 |

AT 30 NOVEMBER 2017

Assets

| | | | | | |
|----------------|---------|--------|--------|--------|---------|
| Segment assets | 446,018 | 34,383 | 62,565 | 41,825 | 584,791 |
|----------------|---------|--------|--------|--------|---------|

Liabilities

| | | | | | |
|---------------------|---------|--------|--------|-------|---------|
| Segment liabilities | 78,151 | 17,801 | 9,697 | 3,406 | 109,055 |
| Borrowings | 137,265 | 21,291 | 7,889 | 2,315 | 168,760 |
| | 215,416 | 39,092 | 17,586 | 5,721 | 277,815 |



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

A9 Segmental Reporting (Contd.)

Financial Year-to-date 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 |
| Elimination of inter- segment revenue | - | (56,939) | - | (232) | (57,171) |
| | 93,693 | 9,304 | 6,763 | 1,778 | 111,538 |
| Segment Results | 14,224 | (3,607) | (4,724) | (59) | 5,834 |
| Interest income | 641 | 3 | 15 | (7) | 652 |
| Finance costs | (793) | (278) | (230) | (121) | (1,422) |
| Profit/(Loss) before tax | 14,072 | (3,882) | (4,939) | (187) | 5,064 |
| Tax expense | (3,096) | (1,371) | - | (205) | (4,672) |
| Profit/(Loss) after tax | 10,976 | (5,253) | (4,939) | (392) | 392 |

AT 30 NOVEMBER 2016

Assets

| | | | | | |
|----------------|---------|--------|--------|--------|---------|
| Segment assets | 429,244 | 64,027 | 65,195 | 42,194 | 600,660 |
|----------------|---------|--------|--------|--------|---------|

Liabilities

| | | | | | |
|---------------------|---------|--------|--------|-------|---------|
| Segment liabilities | 117,991 | 18,437 | 9,392 | 3,715 | 149,535 |
| Borrowings | 129,712 | 17,331 | 6,711 | 3,063 | 156,817 |
| | 247,703 | 35,768 | 16,103 | 6,778 | 306,352 |

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 30 November 2017.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

Notes to the financial STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

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 30 November 2017.

A14 Contingent Liabilities and Assets

There were no contingent assets and no material changes in contingent liabilities since 28 February 2017 other than the followings:

| | 30.11.2017 | 28.02.2017 |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| Guarantees given issued by the Company for banking facilities granted to subsidiaries | 183,305 | 151,612 |
| Guarantees given to suppliers of a subsidiary | 205 | 293 |
| | <u>183,510</u> | <u>151,905</u> |

A15 Capital commitments

There were no capital commitments as at the end of the financial period ended 30 November 2017.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 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 | | |
|--------------------------|---------------|---------------|---------------|--------------------|----------------|----------------|
| | 30.11.2017 | 30.11.2016 | Changes | 30.11.2017 | 30.11.2016 | Changes |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Property Development | 62,138 | 28,984 | 33,154 | 201,920 | 93,693 | 108,227 |
| Property Construction | 4,189 | 2,841 | 1,348 | 10,152 | 9,304 | 848 |
| Chalet & Golf Management | 3,344 | 2,436 | 908 | 8,630 | 6,763 | 1,867 |
| Others | 750 | 665 | 85 | 1,946 | 1,778 | 168 |
| Total | 70,421 | 34,926 | 35,495 | 222,648 | 111,538 | 111,110 |

| Profit / (Loss) before Tax | Quarter Ended | | | Year-To-Date Ended | | |
|----------------------------|---------------|--------------|--------------|--------------------|--------------|---------------|
| | 30.11.2017 | 30.11.2016 | Changes | 30.11.2017 | 30.11.2016 | Changes |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Property Development | 9,729 | 4,310 | 5,419 | 27,691 | 14,072 | 13,619 |
| Property Construction | (275) | (3,876) | 3,601 | (1,437) | (3,882) | 2,445 |
| Chalet & Golf Management | (447) | (1,337) | 890 | (3,003) | (4,939) | 1,936 |
| Others | (178) | 70 | (248) | (211) | (187) | (24) |
| Total | 8,829 | (833) | 9,662 | 23,040 | 5,064 | 17,976 |

Q3FY2018 vs Q3FY2017

During the current quarter, Q3FY2018, the Group's Revenue increased by RM35.50 million or 102% compared to preceding year's corresponding quarter and recorded a Profit Before Tax ("PBT") of RM8.83 million. The improvement in both Revenue and PBT was mainly attributed to ongoing revenue and profit recognised from the progress in the construction of Novum@South Bangsar ("Novum"). Overall financial performance was enhanced by some improvement in the performance of the Property Construction Division and Chalet & Golf Management Division.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

B1 Review of Performance (Continued)

9MFY2018 vs 9MFY2017

Cumulatively, the 9-month Revenue of the Group was higher by RM111.11 million, a doubling of 9MFY2017's Revenue over the same period. Group's PBT was RM17.98 million, or 355% higher than the corresponding period in last financial year. These increases were primarily due to on-going progression of the construction works of Novum over the financial period.

Property Development Division ("PDD")

PDD continues to demonstrate a strong growth as a result of the Group expanding into the Kuala Lumpur market. The consistent progression of Novum's construction works, high sales take-up rate achieved as well as improved performance for projects in the Northern Region have resulted in PDD Revenue increasing by RM33.15 million, or 114% higher for the current quarter, compared to the corresponding period last financial year. Likewise, the division's PBT improved by RM5.42 million, or 126%, from RM4.31 million in Q3FY2017, to RM9.73 million in Q3FY2018.

Similarly, for 9MFY2018, PDD recorded total Revenue of RM201.92 million and PBT of RM27.69 million, both of which are significantly higher than those achieved in 9MFY2017.

Property Construction Division ("PCD")

Currently, PCD is focused on 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 (all transactions related to the in-house construction contract works have been eliminated in full on consolidation).

PCD recorded total Revenue of RM4.19 million for Q3FY2018, and RM10.15 million for 9MFY2018 but recorded Loss Before Tax ("LBT") of RM0.28 million for Q3FY2018 and RM1.44 million for 9MFY2018.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

B1 Review of Performance (Continued)

Chalet & Golf Management Division (“CGMD”)

CGMD’s revenue for current quarter and Year-To-Date of RM3.34 million and RM8.63 million respectively was higher than the preceding year corresponding period. However, due to the current subdued market conditions, CGMD continues to report losses for current quarter and Year-To-Date under review, although CGMD’s LBT has showed an improvement from RM1.34 million in Q3FY2017, to a lower loss of RM0.45 million in Q3FY2018. For Year-To-Date, the LBT reduced from RM4.94 million in preceding year to RM3.00 million.

The Group is continuing to closely monitor the progress of CGMD and its turnaround program to ensure it meets its expectations.

Others

The Others Division which represents the rental from investment and tenanted properties as well as fruit cultivation recorded comparable results to the corresponding periods last financial year on the back of Revenue for the current quarter and year-to-date of RM0.75 million and RM1.95 million respectively.

B2 Material Changes in the Quarterly Results

| | Quarter Ended | | |
|-------------------|---------------|------------|----------|
| | 30.11.2017 | 31.08.2017 | Changes |
| | RM'000 | RM'000 | RM'000 |
| Revenue | 70,421 | 94,513 | (24,092) |
| Profit before tax | 8,829 | 9,555 | (726) |

The Group’s total revenue decreased from RM94.51 million in the immediate preceding quarter, to RM70.42 million in the current quarter. This was due to the additional revenue recognised during Q2FY2018 in relation to the final accounts of the completed projects in Northern Region.

As a result, PBT also decreased from RM9.56 million in the immediate preceding quarter to RM8.83 million in current quarter. Decrease in the PBT of the Group was also due to marketing expenses incurred in relation to the new development project, Parc3@Cheras launched on 21 October 2017 where the revenue and profit recognition of the said project will commence later.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

B3 Prospects

The overall outlook and underlying fundamentals for the Malaysian economy continue to be positive, despite consumer demand continuing to be soft. Property industry market conditions continue to be challenging in the short-term but we expect the market to show some signs of improvement in the year 2018 as consumer demand continues to consolidate. The Group is continued to focus its work on key points of differentiation with its property products to take advantage of the current conditions in which buyers are increasingly focussed on value and product difference strategy into Malaysia's capital.

B4 Profit Forecast

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

B5 Taxation

| | Quarter Ended | | Year-To Date Ended | |
|-----------------------|---------------|------------|--------------------|--------------|
| | 30.11.2017 | 30.11.2016 | 30.11.2017 | 30.11.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current year taxation | 651 | 362 | 5,554 | 4,723 |
| Deferred taxation | 110 | (31) | (113) | (51) |
| | <u>761</u> | <u>331</u> | <u>5,441</u> | <u>4,672</u> |

The current taxation does not include the tax payable for the share of profit from joint venture as the profit shared is recognized on an after tax basis.

B6 Profit Before Taxation

The following amounts have been included in arriving at profit before taxation:

| | Quarter Ended | | Year-To Date Ended | |
|-------------------------------|---------------|----------------|--------------------|----------------|
| | 30.11.2017 | 30.11.2016 | 30.11.2017 | 30.11.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | 14 | 204 | 401 | 652 |
| Interest expense | (584) | (522) | (1,913) | (1,422) |
| Other income | 411 | 477 | 1,187 | 1,227 |
| Depreciation and amortisation | <u>(828)</u> | <u>(1,002)</u> | <u>(2,521)</u> | <u>(3,136)</u> |



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS May FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

B7 Status of Corporate Proposal

There were 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 2017 were as follows:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|---------------------------|-------------------|---------------------|-----------------|
| Current | | | |
| Term loans | 10,079 | - | 10,079 |
| Revolving Credits | 42,010 | - | 42,010 |
| Bank Overdrafts | 2,874 | - | 2,874 |
| Bankers' acceptances | 2,235 | - | 2,235 |
| Hire purchase liabilities | 145 | 76 | 221 |
| | 57,343 | 76 | 57,419 |
| Non-current | | | |
| Term loans | 110,628 | - | 110,628 |
| Hire purchase liabilities | 567 | 146 | 713 |
| | 111,195 | 146 | 111,341 |
| | <u>168,538</u> | <u>222</u> | <u>168,760</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 30 November 2017.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR-TO-DATE ENDED 30 NOVEMBER 2017

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

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 30.11.2017 RM' 000 | As at 28.2.2017 RM' 000 |
|---------------------------------------|--------------------------------|-------------------------------|
| Total retained earnings of the Group: | | |
| - Realised profits | 166,725 | 159,448 |
| - Unrealised losses | <u>(12,491)</u> | <u>(12,727)</u> |
| | <u>154,234</u> | <u>146,721</u> |

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.

| | Quarter Ended | | Year-To Date Ended | |
|---|----------------|----------------|--------------------|----------------|
| | 30.11.2017 | 30.11.2016 | 30.11.2017 | 30.11.2016 |
| Basic earnings per share | | | | |
| Net profit attributable to equity holders of the company (RM'000) | <u>2,661</u> | <u>(2,708)</u> | <u>7,513</u> | <u>(2,990)</u> |
| Weighted average number of ordinary shares ('000) | <u>128,000</u> | <u>128,000</u> | <u>128,000</u> | <u>128,000</u> |
| Basic earnings per share (sen) | <u>2.08</u> | <u>(2.12)</u> | <u>5.87</u> | <u>(2.34)</u> |

B13 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 25 January 2018.