



# EUPE CORPORATION BERHAD

(Company No.: 377762-V)

## SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

		Quarter Ended		Year Ended	
		28.02.2018 RM '000	28.02.2017 RM '000	28.02.2018 RM '000	28.02.2017 RM '000
1.	Revenue	91,435	55,457	314,083	166,995
2.	Profit/(Loss) before tax	6,724	(4,476)	29,764	588
3.	Profit/(Loss) for the period/ year	6,761	(4,527)	24,360	(4,135)
4.	Profit/(Loss) attributable to equity holders of the company	2,077	(4,399)	9,590	(7,389)
5.	Basic earnings/(Loss) per shares (sen)	1.62	(3.44)	7.49	(5.77)
6.	Proposed/declared dividend per share (sen)	-	-	-	-

		AS AT 28.02.2018	AS AT 28.02.2017
7.	Net assets per share attributable to equity holders of the parent (RM)	2.27	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 ENDED 28 FEBRUARY 2018

	Quarter Ended		Year Ended	
	28.02.2018	28.02.2017	28.02.2018	28.02.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	91,435	55,457	314,083	166,995
Cost of Sales	(71,616)	(45,321)	(245,664)	(126,843)
Gross Profit	19,819	10,136	68,419	40,152
Other Operating Income	1,675	622	3,263	2,501
Marketing and Distribution Costs	(6,049)	(6,851)	(16,188)	(15,705)
Administrative Expenses	(6,039)	(6,467)	(19,915)	(19,498)
Other Operating Expenses	(2,177)	(1,310)	(5,993)	(4,834)
Finance Costs	(505)	(633)	(2,418)	(2,055)
Share of Results in Joint Venture	-	27	2,596	27
<b>Profit/(Loss) Before Tax</b>	<b>6,724</b>	<b>(4,476)</b>	<b>29,764</b>	<b>588</b>
Tax Expense	37	(51)	(5,404)	(4,723)
<b>Profit/(Loss) for the Period/Year</b>	<b>6,761</b>	<b>(4,527)</b>	<b>24,360</b>	<b>(4,135)</b>
<b>Other Comprehensive Income</b>				
Foreign Currency Translation differences for Foreign Operation	(197)	167	(767)	813
Total Comprehensive Income/ (Expenses) for the Period/Year	6,564	(4,360)	23,593	(3,322)
<b>Profit/(Loss) Attributable to:</b>				
Equity Holders of the Company	2,077	(4,399)	9,590	(7,389)
Non-Controlling Interest	4,684	(128)	14,770	3,254
	6,761	(4,527)	24,360	(4,135)
<b>Total Comprehensive Income / (Expense) Attributable to:</b>				
Equity Holders of the Company	1,883	(4,282)	9,111	(6,839)
Non-Controlling Interest	4,681	(78)	14,482	3,517
	6,564	(4,360)	23,593	(3,322)
Basic Earnings/(Loss) Per Share				
Attributable to Equity Holders of the Company (Sen)	1.62	(3.44)	7.49	(5.77)

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 28 FEBRUARY 2018

	AS AT 28.02.2018 RM'000	AS AT 28.02.2017 RM'000 (AUDITED)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	68,674	72,190
Investments in joint venture	3,237	3,410
Other investments	7	7
Land held for property development	147,693	188,184
Investment properties	49,905	33,437
Deferred tax assets	2,787	892
	<u>272,303</u>	<u>298,120</u>
<b>Current Assets</b>		
Property development costs	151,866	182,249
Inventories	23,783	13,919
Trade and other receivables	86,463	61,399
Sinking funds	294	184
Tax recoverable	2,979	2,446
Cash and bank balances	43,358	29,609
	<u>308,743</u>	<u>289,806</u>
<b>TOTAL ASSETS</b>	<u>581,046</u>	<u>587,926</u>



# EUPE CORPORATION BERHAD

(Company No.: 377762-V)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018 (Contd.)

	AS AT 28.02.2018 RM'000	AS AT 28.02.2017 RM'000 (AUDITED)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share capital	128,000	128,000
Share premium	5,982	5,982
Reserves	156,445	147,334
	<u>290,427</u>	<u>281,316</u>
Non-Controlling Interest	23,113	8,631
<b>TOTAL EQUITY</b>	<u>313,540</u>	<u>289,947</u>
<b>Non-Current Liabilities</b>		
Borrowings	96,049	102,073
Deferred tax liabilities	12,461	13,619
	<u>108,510</u>	<u>115,692</u>
<b>Current Liabilities</b>		
Trade and other payables	77,784	133,720
Provision for infrastructure & renovation cost	13,116	3,302
Borrowings	64,794	43,160
Current tax liabilities	3,302	2,105
	<u>158,996</u>	<u>182,287</u>
<b>TOTAL LIABILITIES</b>	<u>267,506</u>	<u>297,979</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>581,046</u>	<u>587,926</u>
<b>Net Assets Per Share Attributable to Equity Holders of the Company (RM)</b>	<u>2.27</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 ENDED 28 FEBRUARY 2018

	← Attributable to Equity Holders of the Company →				Total RM'000	Non - Controlling Interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Foreign Currency Translation reserve RM'000	Retained profits RM'000			
<b>At 1 March 2017</b>	128,000	5,982	613	146,721	281,316	8,631	289,947
Profit for the year	-	-	-	9,590	9,590	14,770	24,360
Other Comprehensive Expenses	-	-	(479)	-	(479)	(288)	(767)
Total comprehensive (expenses)/ income	-	-	(479)	9,590	9,111	14,482	23,593
<b>At 28 February 2018</b>	<u>128,000</u>	<u>5,982</u>	<u>134</u>	<u>156,311</u>	<u>290,427</u>	<u>23,113</u>	<u>313,540</u>
<b>(AUDITED)</b>							
<b>At 1 March 2016</b>	128,000	5,982	63	154,110	288,155	5,114	293,269
Net loss for the year	-	-	-	(7,389)	(7,389)	3,254	(4,135)
Other Comprehensive Income	-	-	550	-	550	263	813
Total comprehensive income / (expense)	-	-	550	(7,389)	(6,839)	3,517	(3,322)
<b>At 28 February 2017</b>	<u>128,000</u>	<u>5,982</u>	<u>613</u>	<u>146,721</u>	<u>281,316</u>	<u>8,631</u>	<u>289,947</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 CASH FLOWS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2018

	Year Ended	
	28.02.2018	28.02.2017
	RM'000	RM'000
		(AUDITED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	210,948	168,974
Cash payments to suppliers and creditors	(152,736)	(106,536)
Cash payments to employees and for expenses	(35,996)	(44,078)
Cash generated from operations	<u>22,216</u>	<u>18,360</u>
Bank overdraft interest paid	(65)	(236)
Rental income received	435	784
Deposit refunded	(641)	(67)
Insurance compensation received	86	266
Tax refund	132	-
Tax paid	(7,929)	(5,061)
Net cash generated from operating activities	<u>14,234</u>	<u>14,046</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	774	997
Management fees received	-	58
Purchase of leasehold land	-	(65,373)
Purchase of property, plant and equipment	(240)	(4,446)
Purchase of investment properties	(12,958)	-
Proceed from disposal of property, plant and equipment	6	421
Proceed from disposal of investment properties	555	-
Investment in unit trust / other investments	3,279	-
Subsequent expenditure on investment properties	(105)	(213)
Net cash used in investing activities	<u>(8,689)</u>	<u>(68,556)</u>



# EUPE CORPORATION BERHAD

(Company No.: 377762-V)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2018 (Contd.)

	Year Ended	
	28.02.2018	28.02.2017
	RM'000	RM'000
		(AUDITED)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loan	67,312	71,970
Repayment of term loan	(61,276)	(37,630)
Drawdown of revolving credit	21,140	30,000
Repayment of revolving credit	(10,310)	(14,000)
Net repayment of bankers' acceptance and invoice financing	(2,159)	(826)
Repayment of hire purchase loan	(681)	(757)
Term loan interest paid	(5,630)	(3,389)
Revolving credit interest paid	(1,144)	(715)
Discount paid on bankers' acceptance and invoice financing	(407)	(270)
Hire purchase interest paid	(68)	(103)
Fixed deposits pledged to licensed bank	(915)	(19)
Net cash from financing activities	5,862	44,261
Net increase/ (decrease) in cash and cash equivalents	11,407	(10,249)
Effect of exchange rate changes	(151)	81
Cash and cash equivalents at beginning of financial year	24,132	34,300
Cash and cash equivalents at end of financial year	35,388	24,132
Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	39,002	27,031
Fixed deposits with licensed banks	4,356	2,578
	43,358	29,609
Less: Bank overdraft	(5,237)	(3,659)
Deposits pledged as collateral	(2,733)	(1,818)
	35,388	24,132

*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 ENDED 28 FEBRUARY 2018

### 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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

### 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 ENDED 28 FEBRUARY 2018

### 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 ended 28 February 2018.

#### **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 ended 28 February 2018.

#### **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 ended 28 February 2018.

The 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 ended 28 February 2018.



# EUPE CORPORATION BERHAD

(Company No.: 377762-V)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

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

#### A9 Segmental Reporting

##### For the year ended 28 February 2018

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	286,950	57,627	12,157	4,147	360,881
Elimination of inter- segment revenue	-	(45,196)	-	(1,602)	(46,798)
	<u>286,950</u>	<u>12,431</u>	<u>12,157</u>	<u>2,545</u>	<u>314,083</u>
Segment Results	36,343	(1,647)	(4,070)	776	31,402
Interest income	555	5	88	126	774
Finance costs	(1,504)	(292)	(499)	(117)	(2,412)
Profit/(Loss) before tax	<u>35,394</u>	<u>(1,934)</u>	<u>(4,481)</u>	<u>785</u>	<u>29,764</u>
Tax expense	(6,264)	(1)	1,113	(252)	(5,404)
Profit/(Loss) after tax	<u>29,130</u>	<u>(1,935)</u>	<u>(3,368)</u>	<u>533</u>	<u>24,360</u>

##### At 28 February 2018

#### Assets

Segment assets	<u>444,133</u>	<u>33,185</u>	<u>61,293</u>	<u>42,435</u>	<u>581,046</u>
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#### Liabilities

Segment liabilities	79,598	14,566	9,079	3,420	106,663
Borrowings	<u>127,344</u>	<u>23,733</u>	<u>7,644</u>	<u>2,122</u>	<u>160,843</u>
	<u>206,942</u>	<u>38,299</u>	<u>16,723</u>	<u>5,542</u>	<u>267,506</u>



# EUPE CORPORATION BERHAD

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## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

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

#### A9 Segmental Reporting (Contd.)

##### For the year ended 28 February 2017

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	142,599	79,425	9,923	3,657	235,604
Elimination of inter- segment revenue	-	(67,054)	(146)	(1,409)	(68,609)
	142,599	12,371	9,777	2,248	166,995
Segment Results	21,265	(11,752)	(7,680)	(187)	1,646
Interest income	804	4	70	119	997
Finance costs	(1,174)	(377)	(348)	(156)	(2,055)
Profit/(Loss) before tax	20,895	(12,125)	(7,958)	(224)	588
Tax expense	(4,902)	117	320	(258)	(4,723)
Profit/(Loss) after tax	15,993	(12,008)	(7,638)	(482)	(4,135)

##### At 28 February 2017

##### Assets

Segment assets	450,665	32,640	63,524	41,097	587,926
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##### Liabilities

Segment liabilities	123,275	17,616	8,355	3,500	152,746
Borrowings	120,986	12,849	8,519	2,879	145,233
	244,261	30,465	16,874	6,379	297,979

#### 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, except for the total net fair value gain of RM927,000 recognised during the year based on professional valuer's opinion.

## NOTES TO THE FINANCIAL STATEMENTS



# EUPE CORPORATION BERHAD

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## FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

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

#### A12 Material Events

There were no material events subsequent to the financial quarter and year ended 28 February 2018.

#### A13 Changes in Composition of the Group

There were no material changes in the composition of the Group during the financial quarter and year ended 28 February 2018.

#### 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:

	<b>28.02.2018</b>	<b>28.02.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Guarantees given issued by the Company for banking facilities granted to subsidiaries	175,660	151,612
Guarantees given to suppliers of a subsidiary	75	293
	<u>175,735</u>	<u>151,905</u>

#### A15 Capital commitments

There were no capital commitments for the financial year ended 28 February 2018.



# EUPE CORPORATION BERHAD

(Company No.: 377762-V)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

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

#### B1 Review of Performance

Revenue	Quarter Ended			Year Ended		
	28.02.2018	28.02.2017	Changes	28.02.2018	28.02.2017	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	85,030	48,906	36,124	286,950	142,599	144,351
Property Construction	2,279	3,067	(788)	12,431	12,371	60
Chalet & Golf Management	3,527	3,014	513	12,157	9,777	2,380
Others	599	470	129	2,545	2,248	297
<b>Total</b>	<b>91,435</b>	<b>55,457</b>	<b>35,978</b>	<b>314,083</b>	<b>166,995</b>	<b>147,088</b>

Profit / (Loss) before Tax	Quarter Ended			Year Ended		
	28.02.2018	28.02.2017	Changes	28.02.2018	28.02.2017	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	7,703	6,823	880	35,394	20,895	14,499
Property Construction	(497)	(8,243)	7,746	(1,934)	(12,125)	10,191
Chalet & Golf Management	(1,478)	(3,019)	1,541	(4,481)	(7,958)	3,477
Others	996	(37)	1,033	785	(224)	1,009
<b>Total</b>	<b>6,724</b>	<b>(4,476)</b>	<b>11,200</b>	<b>29,764</b>	<b>588</b>	<b>29,176</b>

#### Q4FY2018 vs Q4FY2017

During current quarter, Q4FY2018, the Group's Revenue and Profit Before Tax ("PBT") increased by RM35.98 million or 65% and RM11.20 million or 250% respectively as compared to preceding year's corresponding quarter. This significant increase in revenue and PBT is mainly attributed to the progressive revenue and profit recognition from EUPE's first KL project, Novum@South Bangsar ("Novum"). In addition, the group's revenue and PBT also enhanced by an improvement in performance of Chalet & Golf Management Division, compared to the preceding year's corresponding quarter.



# EUPE CORPORATION BERHAD

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## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

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

##### B1 Review of Performance (Continued)

###### 12MFY2018 vs 12MFY2017

The consistent progression of Novum's construction works, coupled with its high sales take-up rate achieved, together with the launching and commencement of construction works of Parc3@KL South project in October 2017 and November 2017 respectively, have resulted in the 12-month revenue of the Group increasing by RM147.09 million or 88%. On the back of this significant lift in revenue, the Group's PBT over the 12 months improved by RM29.18 million compared to previous financial year.

###### **Property Development Division ("PDD")**

PDD produced a higher divisional revenue for the current quarter by RM36.12 million or 74%, and RM144.35 million or 101% for current financial year. AS highlighted above, this significant increase was mainly due to Novum@South Bangsar's strong sales take up rate and steady construction work progression, as well as the launch of PDD's Kuala Lumpur second high rise residential development project, Parc3@KL South and beginning of construction works for the project.

Similarly, PBT increased respectively by RM0.88 million or 13% and RM14.50 million or 69% from RM6.82 million and RM20.90 million in Q4FY2017 and prior financial year, to RM7.70 million and RM35.39 million respectively in Q4FY2018 and current financial year.

###### **Property Construction Division ("PCD")**

PCD main focus continues to be on construction works for in-house projects, particularly for development in Northern Region's township development division (intercompany transactions relating to these in-house construction contract works have been eliminated in full on consolidation) coupled with supply of building materials to its sub-contractors for these projects.

PCD contributed total revenue of RM2.28 million for Q4FY2018, and RM12.43 million for financial year 2018 with Loss Before Tax ("LBT") of RM0.50 million for Q4FY2018 and of RM1.93 million for financial year 2018.



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

### 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 current financial year of RM3.53 million and RM12.16 million respectively was higher than the preceding year’s corresponding period. However, due to the current subdued market conditions, CGMD continues to report losses for current quarter and current financial year under review, although CGMD’s LBT has showed an improvement from RM3.02 million in Q4FY2017, to a lower loss of RM1.48 million in Q4FY2018. For the financial year, the LBT reduced by 44%, from RM7.96 million in preceding year to RM4.48 million, as a result of improvements in marketing strategies as well as the on-going cost rationalisations.

The Group continues to closely monitor the performance of CGMD and its turnaround program.

##### 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 financial year of RM0.60 million and RM2.55 million respectively. The upwards fair value adjustment on the investment properties amounting to RM0.93 million that was recognised in the current financial quarter has resulted the division recording a PBT of RM1.00 million and RM0.79 million for the current quarter and current financial year respectively.





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

#### B2 Material Changes in the Quarterly Results

	Quarter Ended		
	28.02.2018	30.11.2017	Changes
	RM'000	RM'000	RM'000
Revenue	91,435	70,421	21,014
Profit before tax	6,724	8,829	(2,105)

The Group's total revenue increased from RM70.42 million in the immediate preceding quarter, to RM91.44 million in the current quarter. The increase mainly derived from additional revenue recognised in relation to the progress of construction of Novum@South Bangsar, as well as initial revenue recognition from the Group's second Kuala Lumpur project, Parc3@KL South over the current period.

Nonetheless, Group's PBT decreased from RM8.83 million in the immediate preceding quarter to RM6.72 million in current quarter. Decrease in PBT was mainly the result marketing expenses incurred on the Parc3@KL South project in relation to the launch of the project and sales & marketing activities to promote the project during the quarter.

#### B3 Prospects

The overall outlook and underlying fundamentals for the Malaysian economy remain very sound, with national GDP growth and employment growth showing signs of strengthening, particularly as a result of an appreciation of the ringgit against other currencies. However conditions in the property market continue to be challenging due to ongoing housing affordability issues as well as a continuing surplus of properties over market demand. These factors will continue to weigh on the market for most of this year. However, opportunities continue to exist for market participants that are committed to offering innovative property products at affordable prices points to a value-conscious and increasingly discerning market. These trends mean the Group remains committed to focusing its expansion strategy into the Kuala Lumpur property market based on affordable property products with very clear points of architectural and lifestyle innovation.

#### B4 Profit Forecast

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



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

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

#### B5 Taxation

	Quarter Ended		Year Ended	
	28.02.2018	28.02.2017	28.02.2018	28.02.2017
	RM'000	RM'000	RM'000	RM'000
Current year taxation	2,902	328	8,456	5,050
Deferred taxation	(2,939)	(277)	(3,052)	(327)
	<u>(37)</u>	<u>51</u>	<u>5,404</u>	<u>4,723</u>

The effective tax rate for the financial year was lower than the statutory income tax rate in Malaysia due to recognition of deferred tax relating to the origination and reversal of temporarily differences during the financial quarter and year.

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 Ended	
	28.02.2018	28.02.2017	28.02.2018	28.02.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	373	358	774	997
Interest expense	(505)	(633)	(2,418)	(2,055)
Other income	1,302	264	2,489	1,504
Depreciation and amortisation	(1,372)	(872)	(3,893)	(4,002)
Provision for and write off of receivables	<u>(705)</u>	<u>(999)</u>	<u>(705)</u>	<u>(999)</u>

#### B7 Status of Corporate Proposal

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



# EUPE CORPORATION BERHAD

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## NOTES TO THE FINANCIAL STATEMENTS May FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

### 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 28 February 2018 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Current</b>			
Term loans	14,613	-	14,613
Revolving Credits	41,320	-	41,320
Bank Overdrafts	5,237	-	5,237
Bankers' acceptances	3,179	-	3,179
Hire purchase liabilities	350	95	445
	64,699	95	64,794
<b>Non-current</b>			
Term loans	95,734	-	95,734
Hire purchase liabilities	264	51	315
	95,998	51	96,049
	160,697	146	160,843

#### 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 ended 28 February 2018.

#### B10 Realised and Unrealised Profits

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

	As at 28.02.2018 RM' 000	As at 28.02.2017 RM' 000
Total retained earnings of the Group:		
- Realised profits	165,788	159,448
- Unrealised losses	(9,477)	(12,727)
	156,311	146,721



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2018

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

#### 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 quarter and year by the weighted average number of ordinary shares in issue during the financial quarter and year.

	Quarter Ended		Year Ended	
	28.02.2018	28.02.2017	28.02.2018	28.02.2017
<b><u>Basic earnings per share</u></b>				
Net profit/(loss) attributable to equity holders of the Company (RM'000)	<u>2,077</u>	<u>(4,399)</u>	<u>9,590</u>	<u>(7,389)</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>1.62</u>	<u>(3.44)</u>	<u>7.49</u>	<u>(5.77)</u>

#### B13 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 26 April 2018.