



Building Lifestyles, Building Trust

EUPE CORPORATION BERHAD

(Company No. 377762-V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018**

	Quarter Ended		Year To Date Ended	
	30.11.2018	30.11.2017	30.11.2018	30.11.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	94,348	70,421	268,329	222,648
Cost of sales	(65,128)	(53,943)	(178,111)	(174,048)
Gross profit	29,220	16,478	90,218	48,600
Other operating income	992	425	2,850	1,588
Marketing and distribution expenses	(10,233)	(4,006)	(17,739)	(10,139)
Administrative expenses	(4,416)	(4,558)	(15,022)	(13,876)
Other operating expenses	(799)	(1,522)	(2,877)	(3,816)
Finance costs	(588)	(584)	(1,917)	(1,913)
Share of results in joint venture	-	2,596	-	2,596
Profit before tax	14,176	8,829	55,513	23,040
Tax expense	(3,934)	(761)	(15,723)	(5,441)
Profit for the period	10,242	8,068	39,790	17,599
Other comprehensive income/(expenses)				
Foreign currency translation differences for foreign operation	91	(575)	29	(570)
Total comprehensive income for the period	10,333	7,493	39,819	17,029
Profit attributable to:				
Equity holders of the Company	4,431	2,661	16,500	7,513
Non-controlling interest	5,811	5,407	23,290	10,086
	10,242	8,068	39,790	17,599
Total comprehensive income attributable to:				
Equity holders of the Company	4,513	2,121	16,522	7,228
Non-controlling interest	5,820	5,372	23,297	9,801
	10,333	7,493	39,819	17,029
Basic Earnings Per Share ("EPS") attributable to equity holders of the Company (Sen)	3.46	2.08	12.89	5.87

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2018 and the accompanying explanatory notes attached to these Condensed Reports.

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2018**

	AS AT 30.11.2018 RM'000	AS AT 28.02.2018 RM'000 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	66,176	68,812
Other investments	7	7
Land held for property development	153,440	147,720
Investment properties	49,629	49,905
Deferred tax assets	2,787	2,787
	<u>272,039</u>	<u>269,231</u>
Current assets		
Property development costs	140,563	151,839
Inventories	19,955	23,783
Trade and other receivables	133,467	89,651
Sinking funds	234	247
Tax recoverable	3,273	2,979
Cash and bank balances	75,954	42,536
	<u>373,446</u>	<u>311,035</u>
TOTAL ASSETS	<u>645,485</u>	<u>580,266</u>

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2018 (Contd.)**

	AS AT 30.11.2018 RM'000	AS AT 28.02.2018 RM'000 (AUDITED)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	128,000	128,000
Share premium	5,982	5,982
Reserves	172,967	156,445
	<u>306,949</u>	<u>290,427</u>
Non-controlling interest	46,410	23,113
TOTAL EQUITY	<u>353,359</u>	<u>313,540</u>
Non-current liabilities		
Borrowings	105,942	92,453
Deferred tax liabilities	12,451	12,461
	<u>118,393</u>	<u>104,914</u>
Current liabilities		
Trade and other payables	88,417	79,245
Provisions	10,073	10,826
Borrowings	63,314	68,439
Current tax payables	11,929	3,302
	<u>173,733</u>	<u>161,812</u>
TOTAL LIABILITIES	<u>292,126</u>	<u>266,726</u>
TOTAL EQUITY AND LIABILITIES	<u>645,485</u>	<u>580,266</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>2.40</u>	<u>2.27</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 2018 and the accompanying explanatory notes attached to these Condensed Reports.



EUPE CORPORATION BERHAD
(Company No.: 377762-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR TO DATE ENDED 30 NOVEMBER 2018**

	← 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 earnings RM'000	Total RM'000	Non - controlling interest RM'000	Total equity RM'000
At 1 March 2018	128,000	5,982	134	156,311	290,427	23,113	313,540
Profit for the period	-	-	-	16,500	16,500	23,290	39,790
Other comprehensive expenses	-	-	22	-	22	7	29
Total comprehensive income	-	-	22	16,500	16,522	23,297	39,819
At 30 November 2018	<u>128,000</u>	<u>5,982</u>	<u>156</u>	<u>172,811</u>	<u>306,949</u>	<u>46,410</u>	<u>353,359</u>
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 income	-	-	(285)	-	(285)	(285)	(570)
Total comprehensive income	-	-	(285)	7,513	7,228	9,801	17,029
At 30 November 2017	<u>128,000</u>	<u>5,982</u>	<u>328</u>	<u>154,234</u>	<u>288,544</u>	<u>18,432</u>	<u>306,976</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 2018 and the accompanying explanatory notes attached to these Condensed Reports.

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR TO DATE ENDED 30 NOVEMBER 2018**

	Year To Date Ended	
	30.11.2018	30.11.2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	248,977	137,047
Cash payments to suppliers and creditors	(163,838)	(118,614)
Cash payments to employees and for expenses	(52,963)	(24,445)
Cash generated from/(used in) operations	32,176	(6,012)
Bank overdraft interest paid	(265)	(159)
Rental income received	437	147
Deposit received	-	230
Insurance compensation received	-	75
Tax refund	106	98
Tax paid	(7,508)	(4,178)
Net cash generated from/(used in) operating activities	24,946	(9,799)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	1,351	401
Purchase of property, plant and equipment	(40)	(1,123)
Purchase of investment properties	-	(12,958)
Proceed from disposal of property, plant and equipment	71	6
Proceed from disposal of investment properties	370	555
Investment in unit trust /other investments	-	3,494
Subsequent expenditure on investment properties	-	(100)
Net cash generated from/(used in) investing activities	1,752	(9,725)

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR TO DATE ENDED 30 NOVEMBER 2018 (Contd.)**

	Year To Date Ended	
	30.11.2018	30.11.2017
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	47,745	46,473
Repayment of term loans	(37,294)	(30,070)
Drawdown of revolving credits	-	19,920
Repayment of revolving credits	(1,090)	(8,400)
Net creation/(repayment) of bankers' acceptance and invoice financing	623	(3,104)
Repayment of hire purchase loan	(397)	(507)
Term loans interest paid	(540)	(4,192)
Revolving credit interest paid	(945)	(892)
Discount paid on bankers' acceptance and invoice financing	(136)	(215)
Hire purchase interest paid	(31)	(55)
Fixed deposits pledged to licensed bank	(2,130)	(894)
Net cash generated from financing activities	5,805	18,064
Net increase/(decrease) in cash and cash equivalents	32,503	(1,460)
Effect of exchange rate changes	8	(222)
Cash and cash equivalents at beginning of financial year	34,515	24,132
Cash and cash equivalents at end of financial period	67,026	22,450
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	58,307	19,522
Fixed deposits with licensed banks	17,647	8,514
	75,954	28,036
Less: Bank overdraft	(4,064)	(2,874)
Deposits pledged as collateral	(4,864)	(2,712)
	67,026	22,450

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 28 February 2018 and the accompanying explanatory notes attached to these Condensed Reports.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

Part A: Explanatory Notes Pursuant to MFRS 134

A1 Basis of Preparation

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

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 28 February 2018 which are available at <http://www.eupe.com>. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2018.

Malaysian Financial Reporting Standards Framework (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of *MFRS 141: Agriculture* and/or *IC Interpretation 15 “Agreements for Construction of Real Estate”*, including their parent, significant investor and venturer (herein called “Transitioning Entities”).

On 8 September 2015, MASB announcement that the effective date of MFRS 15 “Revenue from Contracts with Customers” will be deferred to annual periods beginning on or after 1 January 2018. As a result, the Group and the Company, which are within the scope of *MFRS 141 “Agriculture”* and *IC Interpretation 15 “Agreements for Construction of Real Estate”* are permitted to defer the adoption of the new MFRS Framework to annual periods beginning on or after 1 January 2018. Hence, the Group and the Company adopted the MFRS Framework for annual period beginning on or after 1 March 2018.

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 2018 except for the adoption of new standards and amendments to standards and interpretation as follows:

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

- MFRS 9 *Financial Instruments*
- MFRS 15 *Revenue from Contracts with Customers*
- Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 – 2016 Cycle*
- Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

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

A2 Accounting Policies (Contd.)

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2018 (Contd.)

- Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 – 2016 Cycle*
- Amendments to MFRS 140 *Transfers of Investment Property*
- Clarifications to MFRS 15 *Revenue from Contracts with Customers*
- IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*.

MFRS 15 – Revenue from Contracts with Customers

The adoption of MFRS 15 reform the timing of revenue recognition for the property development activities of the Group which requires distinct identification of separate performance obligations in the contract with customer where revenue are recognised when each distinct performance obligation is satisfied, depending on the substance of the contract which may be at a point in time (completion method) or over time (percentage of completion method).

MFRS 9 – Financial Instruments

With the adoption of MFRS 9, the changes principally on the model for assessment of credit risk. MFRS 9 introduced expected credit losses (“ECL”) model on impairment replacing the previously used, incurred loss impairment model in MFRS 139. The ECL model requires impairment to be recognised on initial recognition including expected future losses whilst the incurred loss impairment model only requires recognition of credit losses incurred as at reporting date.

ECL model involve objective judgement, probability-weighted and through review on all available information relevant to the assessment, incorporating past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date as well as taking into consideration the time value of money. This may have the effect of accelerating the recognition of impairment losses.

Except as disclosed above, the adoption of the above MFRSs, Amendments to MFRSs and Interpretations are not expected to have any material impact on the financial statements of the Group.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

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

A3 Auditors' Report on Preceding Financial Year Financial Statements

The auditors' report on the financial statements for the financial year ended 28 February 2018 was unmodified.

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 current quarter and year to date ended 30 November 2018.

A6 Material Changes in Estimates

There were no changes in estimates that have had any material effect during the current quarter and year to date ended 30 November 2018.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period ended 30 November 2018.

The Companies Act 2016 which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. 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 million 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

No dividends were paid during the financial period ended 30 November 2018.

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018****Part A: Explanatory Notes Pursuant to FRS 134 (Contd.)****A9 Segmental Reporting****Year To Date Ended 30 November 2018**

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	249,367	36,147	8,471	2,506	296,491
Elimination of inter- segment revenue	-	(27,651)	-	(511)	(28,162)
	<u>249,367</u>	<u>8,496</u>	<u>8,471</u>	<u>1,995</u>	<u>268,329</u>
Segment Results	59,025	(267)	(2,459)	(220)	56,079
Interest income	1,239	8	20	84	1,351
Finance costs	(1,170)	(266)	(413)	(68)	(1,917)
Profit before tax	<u>59,094</u>	<u>(525)</u>	<u>(2,852)</u>	<u>(204)</u>	<u>55,513</u>
Tax expense	(15,541)	-	-	(182)	(15,723)
Profit for the period	<u>43,553</u>	<u>(525)</u>	<u>(2,852)</u>	<u>(386)</u>	<u>39,790</u>

As At 30 November 2018**Assets**

Segment assets	<u>509,534</u>	<u>25,635</u>	<u>58,973</u>	<u>51,343</u>	<u>645,485</u>
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Liabilities

Segment liabilities	97,472	12,447	9,368	3,583	122,870
Borrowings	<u>138,215</u>	<u>22,094</u>	<u>7,412</u>	<u>1,535</u>	<u>169,256</u>
	<u>235,687</u>	<u>34,541</u>	<u>16,780</u>	<u>5,118</u>	<u>292,126</u>

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018****Part A: Explanatory Notes Pursuant to MFRS 134 (Contd.)****A9 Segmental Reporting (Contd.)****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)
	<u>201,920</u>	<u>10,152</u>	<u>8,630</u>	<u>1,946</u>	<u>222,648</u>
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 before tax	27,691	(1,437)	(3,003)	(211)	23,040
Tax expense	(5,503)	(1)	223	(160)	(5,441)
Profit for the period	<u>22,188</u>	<u>(1,438)</u>	<u>(2,780)</u>	<u>(371)</u>	<u>17,599</u>

As At 30 November 2017**Assets**

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

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

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 has been adopted the fair value model for its investment properties, but there is no significant and indicative change in value of the investment properties since the last balance sheet date.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

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

A12 Significant Event Subsequent to the Reporting Period

There was no significant event subsequent to the financial period ended 30 November 2018.

A13 Changes in Composition of the Group

There were no material changes in the composition of the Group during the financial period ended 30 November 2018.

A14 Contingent Liabilities and Assets

There were no contingent assets and no material changes in contingent liabilities since 28 February 2018 except for the followings:

	30.11.2018	28.02.2018
	RM'000	RM'000
Guarantees given issued by the Company for		
banking facilities granted to subsidiaries	184,642	175,660
Guarantees given to suppliers of a subsidiary	191	75
	<u>184,833</u>	<u>175,735</u>

A15 Capital commitments

There were no capital commitments for the financial period ended 30 November 2018.



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

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		
	30.11.2018	30.11.2017	Changes	30.11.2018	30.11.2017	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	88,738	62,138	26,600	249,367	201,920	47,447
Property Construction	2,200	4,189	(1,989)	8,496	10,152	(1,656)
Chalet & Golf Management	2,710	3,344	(634)	8,471	8,630	(159)
Others	700	750	(50)	1,995	1,946	49
Total	94,348	70,421	23,927	268,329	222,648	45,681

Profit / (Loss) before Tax	Quarter Ended			Year To Date Ended		
	30.11.2018	30.11.2017	Changes	30.11.2018	30.11.2017	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property Development	15,149	9,729	5,420	59,094	27,691	31,403
Property Construction	(194)	(275)	81	(525)	(1,437)	912
Chalet & Golf Management	(842)	(447)	(395)	(2,852)	(3,003)	151
Others	63	(178)	241	(204)	(211)	7
Total	14,176	8,829	5,347	55,513	23,040	32,473

Overview: Q3FY2019 vs Q3FY2018

The Group's revenue for the current quarter ended 30 November 2018 ("Q3FY2019") was RM23.9 million, or 34.0% higher than revenue for the preceding year's corresponding quarter ("Q3FY2018"). The Group's pre-tax profit for Q3FY2019 increased by RM5.3 million or 60.6%, compared to Q3FY2018. The improvement in both revenue and pre-tax profit of the Group was primarily due to continuing increases in both revenue and PBT of the Property Development Division ("PDD"), in particular from the Group's two Kuala Lumpur projects, Novum@South Bangsar ("Novum") and Parc 3@KL South ("Parc 3").



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

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

B1 Review of Performance (Contd.)

Overview: 9MFY2019 vs 9MFY2018

In line with the improved result for the quarter, the Group's revenue for the 9-month period ended 30 November 2018 ("9MFY2019") increased by RM45.7 million, or 20.5%, compared to the same period for the preceding year ("9MFY2018") and recorded a pre-tax profit that higher by RM32.5 million, or a 140.9% increase compared to the corresponding period for the preceding year. Again, this result was mainly due to the improved performance of PDD during the financial period.

Property Development Division ("PDD")

The high sales take up rate of 97% of Novum since FY2018, combined with continued progress of the project's construction work, together with sales take up rate of over 70% and smooth construction work progress for Parc3, resulted in a strong and improving financial performance for PDD, compared to the corresponding period of the preceding year.

Property Construction Division ("PCD")

PCD recorded total revenue of RM2.2 million in Q3FY2019 and RM8.5 million for 9MFY2019, generated from the supply of building materials to its sub-contractors for its Northern Region projects. The Division's pre-tax loss for Q3FY2019 and 9MFY2019 respectively was comparable, albeit with a small improvement to the corresponding period of the preceding year.

These results were after the full elimination of inter-company transactions in relation to in-house construction contract works.

Chalet & Golf Management Division ("CGMD")

CGMD's recorded revenue of RM2.7 million for Q3FY2019 and RM8.5 million for 9MFY2019 with a pre-tax loss of RM0.8 million and RM2.9 million for Q3FY2019 and 9MFY2019 respectively. The Group continues to closely monitor the performance of CGMD.



EUPE CORPORATION BERHAD

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

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

B1 Review of Performance (Contd.)

Others

The Others Division, which represents rental from investment and tenanted properties as well as fruit cultivation, recorded comparable results to the corresponding period last financial year.

B2 Material Changes in the Quarterly Results

	Quarter Ended		
	30.11.2018	31.08.2018	Changes
	RM'000	RM'000	RM'000
Revenue	94,348	97,509	(3,161)
Profit before tax	14,176	26,814	(12,638)

Total Group revenue of RM94.3 million for Q3FY2019 was slightly lower by RM3.2 million, or 3.2%, compared to the immediate preceding quarter, Q2FY2019, while pre-tax profit decreased from RM26.8 million in Q2FY2019 to RM14.2 million in the current quarter, mainly due to a one-off factors recorded for the previous quarter's results, namely savings from the abolishment of GST as well as value engineering benefits for Novum, where the favourable results was reflected in Q2FY2019.

B3 Prospects

The Malaysian government has projected growth in private expenditure that will, hopefully, offset a reduction in government expenditures. This, in turn, will reduce public sector debt leading to stronger economic fundamentals.

The property market continues to be characterised by oversupply in some segments. The current period of consolidation and some uncertainty in market demand will eventually lead to the absorption of current oversupply.

The current market conditions remain challenging. We will continue to focus on strengthening our core offering of affordable, quality property products with clear points of differentiation.

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018****Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Contd.)****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	
	30.11.2018	30.11.2017	30.11.2018	30.11.2017
	RM'000	RM'000	RM'000	RM'000
Current year taxation	3,942	651	15,731	5,554
Deferred taxation	(8)	110	(8)	(113)
	<u>3,934</u>	<u>761</u>	<u>15,723</u>	<u>5,441</u>

The Group's effective tax rate was higher than the statutory tax rate in Malaysia mainly due to losses of certain subsidiaries that were not available for full set-off against taxable profit of other subsidiaries and certain expenses which were not deductible for tax purposes.

B6 Profit Before Taxation

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

	Quarter Ended		Year To Date Ended	
	30.11.2018	30.11.2017	30.11.2018	31.08.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	556	14	1,351	401
Other income	436	411	1,499	1,187
Interest expense	(588)	(584)	(1,917)	(1,913)
Depreciation and amortisation	(797)	(828)	(2,668)	(2,521)
Write off of receivables	(4)	-	(4)	-
Loss on disposal of investment property	-	-	(100)	-
Impairment of assets	-	-	(103)	-
	<u>-</u>	<u>-</u>	<u>(103)</u>	<u>-</u>

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018****Part B: Explanatory notes pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Contd.)****B7 Status of Corporate Proposal**

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

B8 Group Borrowings and Debt Securities

The Group borrowings and debt securities as at 30 November 2018 were as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Current			
Term loans	15,141	-	15,141
Revolving Credits	40,230	-	40,230
Bank Overdrafts	4,064	-	4,064
Bankers' acceptances	3,802	-	3,802
Hire purchase liabilities	69	8	77
	63,306	8	63,314
Non-current			
Term loans	105,656	-	105,656
Hire purchase liabilities	235	51	286
	105,891	51	105,942
	<u>169,197</u>	<u>59</u>	<u>169,256</u>

B9 Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

B10 Dividend Proposed

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



EUPE CORPORATION BERHAD

(Company No.: 37762-V)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL QUARTER AND YEAR TO DATE ENDED 30 NOVEMBER 2018

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

B11 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 period.

	Quarter Ended		Year To Date Ended	
	30.11.2018	30.11.2017	30.11.2018	30.11.2017
Basic EPS				
Net profit attributable to equity holders of the Company (RM'000)	<u>4,431</u>	<u>2,661</u>	<u>16,500</u>	<u>7,513</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>3.46</u>	<u>2.08</u>	<u>12.89</u>	<u>5.87</u>

B12 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 24 January 2019.