

Eupe Corporation Berhad (377762-V)

Annual Report

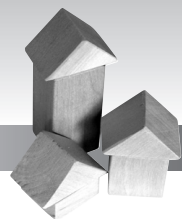
2003

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Dato' Tajudin Bin Haji Hashim

Managing Director

Beh Huck Lee

Independent Non-Executive Director

Dato' Paduka Haji Radzi Bin Haji Bassir

Independent Non-Executive Director

Dato' Jaafar Bin Jamaludin

Non-Independent Non-Executive Director

Datin Teoh Choon Boay

Independent Non-Executive Director

Tan Hiang Joo

Independent Non-Executive Director

Kek Jenny

Non-Independent Non-Executive Director

Mohamed Rizal Bin Tajudin

AUDIT COMMITTEE

Chairman of the Committee

Dato' Jaafar Bin Jamaludin *

Members of the Committee

Dato' Tajudin Bin Haji Hashim

Beh Huck Lee

Dato' Paduka Haji Radzi Bin Haji Bassir *

Tan Hiang Joo *

Kek Jenny *

* Independent Non-Executive Directors

COMPANY SECRETARIES

Tan Kim Chin (MIA3620)

Ng Bee Lian (MAICSA 7041392)

AUDITORS

BDO Binder

Public Accountants

REGISTERED OFFICE

5th Floor,

Wisma Ria, Taman Ria,

08000 Sungai Petani,

Kedah Darulaman, Malaysia.

Tel : 604-441 4888

Fax : 604-441 4548

Email : eupe@po.jaring.my

Website : www.eupe.com.my

REGISTRAR

Mega Corporate Services Sdn Bhd

(187984-H)

Level 11-2,

Faber Imperial Court,

Jalan Sultan Ismail,

50250 Kuala Lumpur

Tel : 603-2692 4271

Fax : 603-2732 5388

PRINCIPAL BANKERS

Bumiputra-Commerce Bank Berhad

Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Board of the Kuala Lumpur Stock Exchange



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Eupe Corporation Berhad for the year ended 28 February 2003.

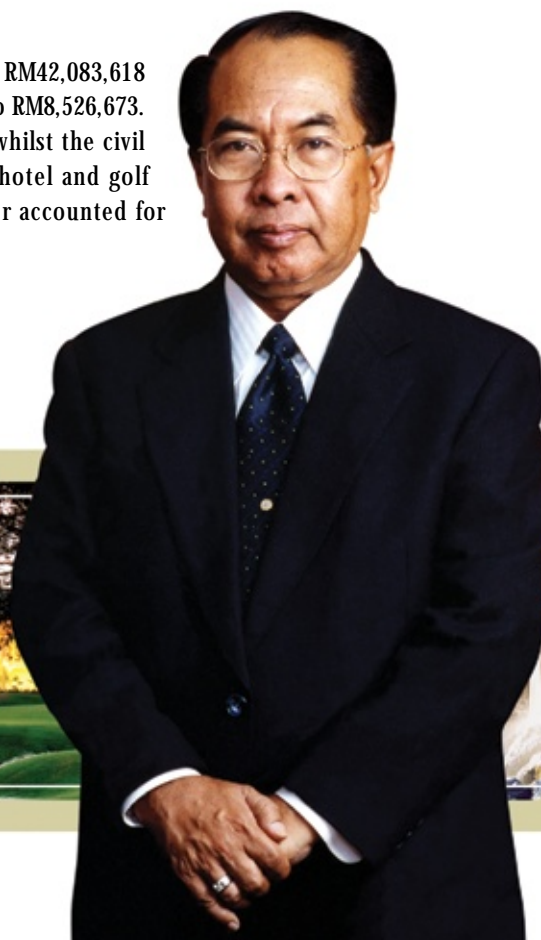
THE BUSINESS ENVIRONMENT

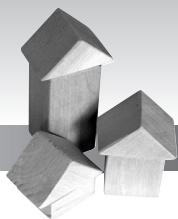
It was reassuring to note that the Malaysian economy recorded a GDP growth of 4.2% in 2002, a significant improvement from the 0.4% growth recorded in 2001. The higher disposable incomes from pay increases in the public sector, tax cuts, and a general improvement in market sentiment led to sustained consumer spending, which spurred the domestic economy. On the property front, the low interest regime, attractive financing packages and stamp duty exemptions further encouraged house ownership, especially for low-medium cost house buyers.

However, business and consumer confidence was marred by the Iraq war, terrorism fears that curbed travel, and in early 2003, the unforeseen Severe Acute Respiratory Syndrome (SARS) which significantly crippled certain economic sectors of the Asian countries affected. Although the first quarter of 2003 recorded a GDP growth of 4%, the extent of the repercussions of these factors may not have been registered as yet. Suffice to say that the services sector especially retail, hotel and restaurant businesses which enjoyed a respite in 2002 were severely affected due to the crisis. The pervading uncertainties have somewhat hampered significant purchase decisions and may dampen the take up rate of higher-end houses. To mitigate this, the government has introduced new measures including the exemptions of real property gains tax, stamp duties and the reduction of EPF contributions.

OPERATIONS

Turnover for the Group increased by 93% to RM81,088,038 from RM42,083,618 in the preceding year, while profit before tax increased by 141% to RM8,526,673. Of this, 56% is attributed to the property development sector whilst the civil engineering and construction division contributed 32%. The hotel and golf management division as well as the property investment sector accounted for the remaining 12%.





CHAIRMAN'S STATEMENT (CONTINUED)

PROPERTY DEVELOPMENT

The bulk of the profit comes from the sale of the houses in Taman Kelisa Ria, Sungai Petani. Out of the 1,521 units launched, fewer than 20 remain unsold as at the end of the current financial period. Construction of the various phases is at different stages and the first phase is due to obtain the Certificate of Fitness for Occupation in August 2003. The commercial units will be launched later this year to support the development. The outlook is promising as there are, thus far no shophouses in the immediate vicinity of Taman Kelisa Ria and other neighbouring developments to support its population.

Two other projects are scheduled to be launched this year; Sri Iora Garden Homes, a 219-acre development adjacent to Taman Kelisa Ria and the new phase of Taman Ria Mesra in Gurun. The Certificate of Fitness for Occupation for the 620 unit Taman Ria Mesra Phase 1 was handed over last year and the new phase will encompass 2,200 units of commercial and residential properties in a development area of 200 acres.

During the year under review, our civil engineering and construction arm, Riacon Sdn Bhd, successfully upgraded its MS ISO 9002:1994 certification to the MS ISO 9001:2000 standard. This is a testament to our continuous attempts to ensure an output of consistent high quality by putting into place controls that will enable us to highlight areas which need to be improved upon.

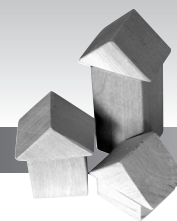
HOTEL AND GOLF COURSE MANAGEMENT - CINTA SAYANG GOLF AND COUNTRY RESORT AND CINTA SAYANG HOTEL

Although the onslaught of SARS resulted in a drop in reservations, the Hotel division recorded an increase of 42% in turnover as compared to the corresponding period in the previous year. Occupancy rates increased from an average of 53% in 2001 to 71% in 2002. The hotel has a good mix of customers from different sectors - corporate, government, family groups, tour groups and long term guests. As reservations are largely derived from domestic tourism and local seminars as well as functions, the impact of SARS was mitigated.

Profits from the hotel sector were slightly eroded by losses in the golf division due to the replacement cost of machinery and equipment used for maintenance of the golf course. After 15 years of operation, most of the machinery had reached the end of their lifespan. Although the golf course remained a popular venue for tournaments, (having hosted 37 tournaments in 2002), the cautious sentiment dampened demand for golf memberships. In response to this, we will be repackaging and remarketing these memberships to attract new market segments.

Cinta Sayang continued to introduce new activities and tap new markets with its revamped image. New facilities initiated include archery and a Kid's Club. In line with this, the Club has lined up plans to start its own pre-school on its premises. The pre-school will be custom-built and will capitalise on the Club's existing resources by offering activities such as kid's





CHAIRMAN'S STATEMENT (CONTINUED)

golf, archery, swimming and the like in addition to its integrated curriculum which includes IT-based learning programmes and children's engineering programmes. The Club's cafes and other venues will benefit from birthday parties, concerts and other spin-offs. We envisage that the pre-school will provide a much needed service for the 491 households within Cinta Sayang and will be the first pre-school of its kind to offer indoor and outdoor education within a country club.

PROPERTY INVESTMENT

Rental of the Group's properties remained stable and contributed RM1,334,760 to the Group's turnover. However, the tenant base remained unchanged. There is still an overhang in the supply of office spaces in Sungai Petani.

CORPORATE DEVELOPMENTS

On 20 March 2003, Eupe Kemajuan Sdn Bhd, a subsidiary of Eupe Corporation Berhad, entered into a conditional Sale and Purchase Agreement with Perbadanan Kemajuan Negeri Kedah to purchase agriculture land with development potential measuring approximately 3,190 acres for a total consideration of RM127.6 million on a staggered basis.

The Directors believe that this purchase will further enhance the Group's land bank in Sungai Petani due to the town's growth potential, and specifically, the favorable pricing of the land and its location. The development prospect of this locality is promising and is expected to contribute favourably to the Group's future earnings.

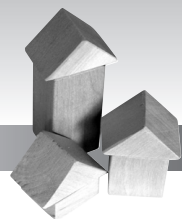
APPRECIATION

My fellow board members and I would like to express our heartfelt gratitude to our management team and staff for their tireless dedication and hard work. We would also like to convey our sincerest appreciation to our customers, suppliers, subcontractors, bankers, government authorities and other business associates for their invaluable support, assistance and confidence in us.

And to our shareholders, a very big thank you for your faith in us and for giving us the chance to perform.

Dato' Tajudin Bin Haji Hashim
Executive Chairman





PROFILE OF DIRECTORS

Dato' Tajudin bin Haji Hashim
DSDK, BCK, JP
Executive Chairman

Aged 63. Malaysian. Appointed to the Board on 19 May 1997.

Together with Dato' Beh Heng Seong, was one of the founding members of the Group. Holds a Bachelor of Arts degree from the University of Malaya and a Certificate of Public Administration from the University of Manchester. Has over twenty (20) years of working experience as a civil servant and has held the posts of District Officer in Kuala Nerang, Kubang Pasu and Kuala Muda (1971-1976), Deputy Director of Land, Kedah (1976), and Deputy State Secretary, Kedah (1976-1978). Currently sits as the National Council Member of the Real Estate Housing Developers' Association, Malaysia and Chairman of the Real Estate Housing Developers' Association Malaysia (Kedah / Perlis Branch).

Attended all five board meetings in the financial year. No conflict of interest with the Group and is the father of Mohamed Rizal bin Tajudin. Is also a director of Betaj Holdings Sdn Bhd, a major shareholder of the Company. Has not been convicted of offences within the past ten years.

Beh Huck Lee
Managing Director

Aged 32. Malaysian. Appointed to the Board on 19 May 1997.

Holds a Bachelor of Commerce and a Bachelor of Engineering (First Class Honours) from the University of Western Australia. Was attached to Hewlett-Packard before he joined the Group in 1995. Taking over at the helm, he oversaw the operations of the Group, its restructuring and the subsequent listing of the Company on the Kuala Lumpur Stock Exchange.

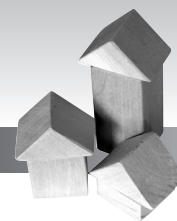
Attended all five board meetings in the financial year. No conflict of interest with the Group and is the son of Datin Teoh Choon Boay. Is also a director in Betaj Holdings Sdn Bhd and Beh Heng Seong Sdn Bhd; both of which are major shareholders of the Company. Has not been convicted of offences within the past ten years.

Dato' Paduka Haji Radzi bin Haji Bassir
DHMS, DSDK, PSB, SMK, AMN, BCK, JP (Dato' Bijaya Indera)
Independent Non-Executive Director

Aged 71. Malaysian. Appointed to the Board on 28 February 1997.

Holds a Bachelor of Arts (Honours) from the University of London. Served the Kedah State Government from 1953 to 1987 when he retired after serving as State Secretary of Kedah since 1976. Other posts held include State Liaison Officer; President of Town Council, Sungai Petani; District Officer of Padang Terap, Langkawi, and Kota Setar; as well as State Treasurer and General Manager of the Kedah State Economic Development Corporation (1972-1976). Also served as a Committee Member of the Malaysian Industrial Development Authority (MIDA), Muda Agricultural Development Authority (MADA) and Pilgrim Management Advisory Council. Was appointed a Member of the State Public Services Commission from 1992-1996 and served as a Council Member of University Utara Malaysia as the Deputy Chairman.

Attended all five board meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director or major shareholder of the Group. Has not been convicted of offences within the past ten years.



PROFILE OF DIRECTORS (CONTINUED)

Dato' Jaafar bin Jamaludin
DSDK, ARICS, ARVA, MISM
Independent Non-Executive Director

Aged 57. Malaysian. Appointed to the Board on 28 February 1997.

Is a Member of the Institution of Surveyors, Malaysia; a Professional Associate of the Royal Institution of Chartered Surveyors; an Associate Member of the Rating and Valuation Associate (ARVA) in the United Kingdom; and a Registered Valuer with the Board of Valuers, Appraisers and Estate Agents, Malaysia. Key positions held include Technical Manager of the Malaysian Building Society Berhad (1975-1980); Executive Director of Advance Development Sdn Bhd (a subsidiary of Kulim (Malaysia) Berhad) (1980-1985); Chief Executive of Kedah State Economic Development Corporation (1985-1993); and Chairman of Chesterton International (Malaysia) Sdn Bhd as well as Chairman and Director of various other companies including Bina Puri Holdings Berhad (1994-1997).

Attended all five board meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director or major shareholder of the Group. Has not been convicted of offences within the past ten years.

Tan Hiang Joo
Independent Non-Executive Director

Aged 39. Malaysian. Appointed to the Board on 19 May 1997.

Holds a law degree (LLB(Hons)) from the University of Malaya and is an advocate and solicitor with the High Court of Malaya. Has been in practice since 1989 and is a partner of Syarikat Ng & Anuar.

Attended all five board meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director or major shareholder of the Group. Has not been convicted of offences within the past ten years.

Kek Jenny
Independent Non-Executive Director

Aged 38. Malaysian. Appointed to the Board on 28 March 2002.

Holds a Bachelor of Commerce degree majoring in Accountancy, from the University of Canterbury and is a Chartered Accountant by profession. Is also a member of the Malaysian Institute of Accountants (MIA).

Was with KPMG (Malaysia) as Senior Manager / Head of Department and was primarily involved in statutory audits, financial due diligence and special audits (1990-1997). Prior to her relocation to KPMG (Malaysia), was attached to KPMG's Christchurch, New Zealand and Brussels, Belgium offices (1987-1990). Is currently the Executive Director of Comet Asset Management Sdn Bhd, a company which provides corporate advisory and investment services.

Attended all five board meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director or major shareholder of the Group. Has not been convicted of offences within the past ten years.



PROFILE OF DIRECTORS (CONTINUED)

Mohamed Rizal bin Tajudin
Non-independent Non-Executive Director

Aged 35. Malaysian. Appointed to the Board on 19 May 1997.

Holds a Bachelor of Business Administration from La Sierra University, California, USA. Was the General Manager of Finance in Moza Precision Plastic Industry Sdn Bhd (1994-1997). Is currently a director of Teras Display Sdn Bhd as well as several other private limited companies.

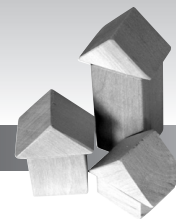
Attended all five board meetings in the financial year. No conflict of interest with the Group and is the son of Dato' Tajudin bin Haji Hashim. Has not been convicted of offences within the past ten years.

Datin Teoh Choon Boay
Non-independent Non-Executive Director

Aged 54. Malaysian. Appointed to the Board on 19 May 1997.

Has been a director of Beh Heng Seong Sdn Bhd, an investment holding company since 1982 and is also a director of several private limited companies.

Attended all five board meetings in the financial year. No conflict of interest with the Group and is the mother of Beh Huck Lee. Is also a director in Beh Heng Seong Sdn Bhd. Has not been convicted of offences within the past ten years.



STATEMENT OF CORPORATE GOVERNANCE

PRINCIPLES STATEMENT

A. BOARD OF DIRECTORS

Board responsibilities

The Group is headed by a Board, comprising executive, non-executive and independent non-executive Directors. The Board is responsible for the overall direction of the Company and Group and oversees their strategic development, critical business issues as well as financial performance. Although all Directors owe fiduciary duties towards the shareholders, the executive Directors overlook the daily business operations, whereas the non-executive Directors' main role is to bring objective and independent insight into Board's decisions. The non-executive Directors, having been chosen for their vast experience and diversity of professional backgrounds, bring a wealth of experience and valuable judgement into the Board's stewardship role of steering the Group towards greater heights.

The Board's formal schedule of matters for deliberation and decision includes the overall Group strategy and direction, significant financial matters and key acquisitions, as well as the review of the financial and operating performance of the Group.

The Board has a formalized structure to identify, evaluate and manage key business risks faced by the Group and an internal audit function to ensure the controls to address the risks are in place. Currently, the internal audit function is outsourced to an independent firm of consultants, which has come up with a 3-year internal audit strategy to review the controls as they relate to key risks of the Group.

Meetings

The Board meets at least four (4) times a year at quarterly intervals, with additional meetings convened when circumstances dictate, and is provided with not only a summary of the financial performance of the Group, but also a summary on all the activities of the subsidiaries. This enables the Board to assess not only the quantitative aspects, but the qualitative ones as well. It is imperative that the Directors obtain an overall picture of the performance and direction of the Group to equip them to make objective evaluations. A formal schedule of matters for Board discussion is also circulated in advance of meetings.

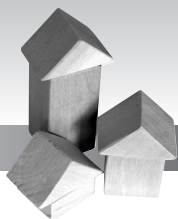
The Board receives documents on matters requiring its consideration in advance of each meeting. All proceedings from the Board meetings are recorded and the minutes thereof signed by the Chairman of the meeting.

During the financial year, the Board met on 5 occasions where all the Directors were present.

Board committees

Certain responsibilities have been delegated to the Audit Committee, details of which are disclosed in the Audit Committee Report set out on pages 17 to 20 of the Annual Report.

There is currently no Nominating Committee as the Directors are of the opinion that it is just as effective to have the entire Board review any potential new recruits due to the strength and size of its non-executive participation.



STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Board committees (continued)

There is no Remuneration Committee to recommend to the Board the remuneration of executive Directors, as there has been no change in the remuneration of executive Directors since the listing of the Company. Moreover, the entire Board would review the remuneration of the executive Directors should a change be contemplated.

Board Balance

The Board comprises eight (8) Directors as follows:

- 2 non-independent executive Directors;
- 2 non-independent non-executive Directors; and
- 4 independent non-executive Directors.

The Board has an independent element comprising half of the Board balance, with the executive Directors making up a quarter of the balance. This prevents domination of Board discussion and unfettered decision-making by executive Directors. The two (2) executive Directors directly oversee the daily business operations, but are able to draw on the insights, ideas, judgement and experience of the six (6) non-executive Directors.

Supply of information

All Directors have full and timely access to information through the Board Papers distributed in advance of meetings. The Directors also have full access to the advice and services of the Company Secretary, who is capable of carrying out the duties in which the post entails.

The Board Papers include, among others, the following:

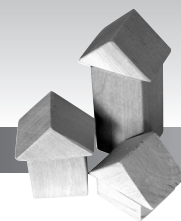
- Minutes of the previous Board meeting;
- Minutes of the previous Audit Committee meeting;
- Quarterly financial results of the Group;
- Financial performance and operations of the divisions;
- Update on development projects; and
- Future plans and projections of the Group.

Separate reports are prepared as and when needed for the Board's deliberation on strategic and policy issues, major investments and major financial decisions.

In the intervening period between meetings, reports detailing all relevant information are sent to all Board members before significant decisions to enable the Directors to provide feedback.

Directors' training

There is no formal training programme for Directors as the Board ensures that it recruits only individuals of sufficient calibre, knowledge and experience to fulfill the duties required of a Director. Executive Directors are encouraged to undergo relevant training with regard to their job responsibilities and regularly attend seminars on the property industry. In addition, all Directors are briefed regularly on current regulatory issues as well as new relevant laws and regulations by the Group's auditors and Company Secretary. All the Directors have attended and successfully completed the Mandatory Accreditation Programme organized by the Research Institute of Investment Analysts Malaysia (RIIAM).



STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Appointment and Re-election of Directors

Article 82 of the Articles of Association provides that one-third of the Directors, or if their number is not a multiple of three, the number nearest to one-third, shall retire from office at each Annual General Meeting and they may offer themselves for re-election. All Directors, including the Managing Director shall retire at least once in each three years and shall be eligible for re-election. This will provide an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as the personal profile and the meetings attendance of each Director are furnished in the Annual Report.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act 1965.

B. DIRECTORS' REMUNERATION

There are no formal procedures for determining the remuneration packages of Directors. Broadly, the Directors' remuneration packages are dictated by market competitiveness and level of experience or responsibilities involved. Any review or change to the existing package will be deliberated upon by the Board as a whole. The practice is to ensure that the remuneration packages are tailored to retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders. It is also the practice for the Directors concerned to abstain from deliberating their individual remuneration.

The aggregate remuneration of Directors for the financial year ended 28th February 2003 is as follows:

	Salaries and EPF RM	Bonuses RM	Fees RM	Allowances RM	Total RM
Executive Directors	597,624	108,080	24,000	29,000	758,704
Non-executive Directors	-	-	47,000	96,000	143,000

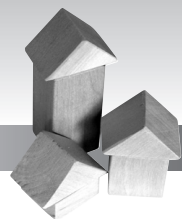
The number of Directors whose remuneration fall within the following bands are:

Remuneration bands (RM)	Executive Directors	Non-Executive Directors
50,000 and below	-	6
350,001 to 400,000	2	-

C. SHAREHOLDERS

Dialogue between companies and investors

Communication is crucial to a Company's progress as members of the investing public, shareholders and customers are the key determinants of a Company's success. With this in mind, the Company maintains an open communications policy with its shareholders, individuals or institutional members, and welcomes feedback from them. Whenever appropriate, the Board or the relevant management personnel will respond to these queries or opinions on an individual level. Requests for Annual Reports or other corporate literature are filed and fed into a database so that the relevant information can be disseminated to the requestors on a timely basis. The Board is aware of the confidentiality and sensitivity of undisclosed information and ensures that measures are in place to prevent divulgence of such information.



STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The Annual General Meeting ("AGM")

The AGM is a platform for shareholders to raise their concerns and opinions about the Company and its performance. Apart from shareholders, the Company's employees, bankers, lawyers and the press are invited to attend the AGM. It is an appropriate avenue to obtain feedback directly from shareholders and to let them know of the direction and performance of the Company. The Chairman of the Board addresses the shareholders on the review of the Group's performance for the financial year and outlines the prospects of the Group for the subsequent financial year. The Company's external auditors and Company Secretary are also present to clarify and explain any issues that may arise. Usually, a press conference is held immediately after the AGM where the Chairman and the Managing Director will answer questions on the Group.

D. ACCOUNTABILITY AND AUDIT

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the Annual Report and the quarterly announcement of results. Prospects of the Group and an overview of its business performance are detailed in the Chairman's Statement in the Annual Report. The Board also deliberates on the quarterly results before they are publicly released together with explanatory notes on the Group's quarterly and year-end performances.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and of their profit or loss and cash flow for the period then ended.

In preparing the financial statements, the Directors have:

- ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied; and
- selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

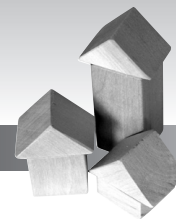
The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Internal control

The Statement on Internal Control furnished on page 15 to 16 of the Annual Report provides an overview of the state of internal control within the Group.

Relationship with the auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 17 to 20 of the Annual Report.



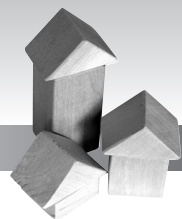
STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

COMPLIANCE STATEMENT

Throughout the financial year ended 28th February 2003, the Company has substantially applied all the Best Practices of the Malaysian Code on Corporate Governance, with the exception of the following:

- The Board has not identified a senior independent non-executive Director to whom concerns may be conveyed (in accordance with Best Practice Provision AA VII) because the Chairman of the Board normally encourages open discussion during meetings and thus ensures that Directors are free to voice any concerns they may have. Additionally, there is a strong independent element in the Board, as half of its composition comprises independent non-executive Directors;
- There is no Nominating Committee (in accordance with Best Practice Provisions AA VIII, AA IX and AA X) as the appointment of new Board members would be a matter for the Board as a whole. There is no formal assessment carried out on the performance of the Board, the Audit Committee and individual Directors. This is because the Board is of the view that the required mix of skills and experience of existing Directors, including core competencies which non-executive Directors bring to the Board, are deemed adequate in addressing the current business needs and issues faced by the Group. The Board's strong independent element and non-executive participation will further ensure unfettered decision-making. As for individual Directors, sufficient information such as their personal profile and meetings attendance are furnished in the Annual Report to assist shareholders to provide a fresh mandate for Directors who retire at the AGM and who have offered themselves for re-election. Appointment of Directors to be members of the Audit Committee is decided by the Board as a whole;
- There is no orientation and education program for new recruits to the Board (in accordance with Best Practice Provision AA XIII) as it is the Company's practice to appoint only individuals of sufficient experience and calibre to carry out their Directorial duties. Moreover, all Directors have successfully completed the Mandatory Accreditation Programme organized by RIIAM;
- Since the listing of the Company, there has been no change in the remuneration of executive Directors. A Remuneration Committee has not been established (in accordance with Best Practice Provision AA XX IV) because Directors' remuneration is a matter for the Board as a whole; and
- The Audit Committee has not separately met with the external auditors without the presence of executive Board members during the financial year (in accordance with Best Practice Provision BB III) in view of other direct communication channels available between the Audit Committee members and the external auditors.

Nevertheless, the Board is mindful of the above Best Practices and will review the necessity to comply with them from time to time.



ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

On 20 March 2003, Eupe Kemajuan Sdn Bhd, a subsidiary of Eupe Corporation Berhad, entered into a conditional Sale and Purchase Agreement with Perbadanan Kemajuan Negeri Kedah to purchase agricultural land with development potential measuring approximately 3,190 acres for a total consideration of RM127.6 million on a staggered basis.

SHARE BUYBACKS

There was no share buyback scheme implemented during the financial year, ended 28 February 2003.

AMERICAN DEPOSITORY RECEIPT ("ADR") / GLOBAL DEPOSITORY RECEIPT ("GDR")

The Group has not sponsored any ADR or GDR programme.

SANCTIONS AND / OR PENALTIES

There were no sanctions and / or penalties imposed on the Company, its other subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

NON-AUDIT FEES

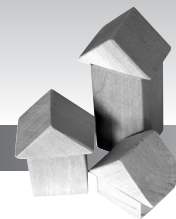
There were no non-audit fees paid to the external auditors during the financial year.

REVALUATION POLICY

The revaluation policy on landed properties is as disclosed in the financial statements.

PROFIT GUARANTEES

During the financial year, there were no profit Guarantees given by the Group.



STATEMENT OF INTERNAL CONTROL

The Board is responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework and for reviewing its adequacy and integrity. The system of internal control covers risk management and the relevant controls put into place to monitor the principal risks, both financial and otherwise, faced by the Group. Because of the limitations inherent in any system of internal control, this system is designed to manage rather than eliminate the risks involved. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process of identifying, evaluating and managing significant business risks faced by the Group, which has been in place during the financial year.

The Board retains overall risk management responsibility and:

- determines and approves the risk management policy of the Group;
- oversees overall risk management;
- communicates these risks to shareholders; and
- reviews the risk profile of the Group.

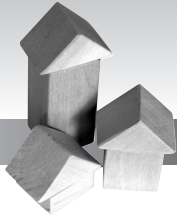
The Board engaged an independent firm of consultants to assist in the establishment of a risk management framework for the Group via an enterprise risk management review carried out during the last financial year. Whilst the risk profile of the Group, including the detailed Risk Register resulting from the compilation of all principal business risks and controls of the Group in a database and a Risk Management manual were drawn up from the review, the Board will consider undertaking the following steps to augment the full implementation of the framework:

- To formalize a risk management reporting framework; and
- To carry out an update of the Group's risk profile at periodic intervals so that appropriate remedial measures can be put in place to treat the principal business risks on an ongoing basis.

The Group outsourced its internal audit function to an independent firm of consultants to assist the Board in the review and appraisal of the internal control system within the Group. The internal audit function reviews the internal controls in the key activities of the Group's businesses based on a 3-year internal audit strategy and a detailed annual internal audit plan presented to the Audit Committee for approval. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business units of the Group.

During the financial year, the results of findings by the internal audit function, including the recommended corrective actions, were reported directly to the Audit Committee. Follow up work was also carried out by the internal audit function on the implementation of corrective actions by Management. The Audit Committee considers reports from the internal audit function and comments from Management before making recommendations to the Board to strengthen the internal control and governance systems.

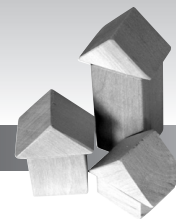
Apart from risk management and internal audit, the Board has put into place an organizational structure with formal delineations of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented trail of accountability. Limitations on authority and counter checks by other departments are other modes of control.



STATEMENT OF INTERNAL CONTROL (CONTINUED)

The effectiveness of the system of internal control is also reviewed through the MS ISO 9001:2000 certification, which has been obtained by the civil engineering and construction arm of the Group. Surveillance visits are carried out annually by auditors from Lloyd's Register Quality Assurance and a complete re-audit and re-assessment is carried out once in 3 years. The demanding documentation requirements of the certification further ensures that a trail of accountability exists in this division.

The Board is of the opinion that there were no material losses incurred during the financial year as a result of weaknesses in internal control. Nevertheless, the Board and Management continue to take appropriate measures from time to time to strengthen the existing control environment within the Group.



AUDIT COMMITTEE REPORT

COMPOSITION

The present members of the Committee comprise:

Chairman:

Dato' Jaafar Bin Jamaludin Independent Non-Executive Director

Members:

Dato' Paduka Haji Radzi Bin Haji Bassir Independent Non-Executive Director

Dato' Tajudin Bin Haji Hashim Non-Independent Executive Director

Beh Huck Lee Non-Independent Executive Director

Tan Hiang Joo Independent Non-Executive Director

Kek Jenny Independent Non-Executive Director

MEETINGS

The Audit Committee convened five meetings during the financial year, which were attended by all members. The Company Secretary and representatives of the external auditors and internal auditors also attended the meetings upon invitation.

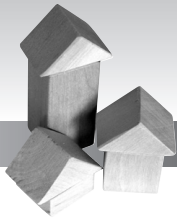
SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the Committee were as follows:

- Reviewed the external auditors' scope of work and audit plans for the year. Prior to the audit, representatives of the external auditors presented their audit strategy and plan;
- Reviewed with the external auditors the results of the audit, the audit report and the response of management;
- Reviewed the Group's quarterly and annual financial statements before recommending to the Board for approval;
- Reviewed the programme, plans, scope and results of work carried out by the internal audit function, which was outsourced to an independent firm of consultants, and the corrective actions taken by Management to address the findings raised by the internal audit function;
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group; and
- Reviewed key business proposals such as land acquisitions and investments and recommended proposals to the Board.

INTERNAL AUDIT FUNCTION

The effectiveness of the system of internal control is reviewed in two ways; firstly through the internal audit function, and secondly through the MS ISO 9001: 2000 certification, which has been obtained by the civil engineering and construction arm of the Group.



AUDIT COMMITTEE REPORT (CONTINUED)

INTERNAL AUDIT FUNCTION (CONTINUED)

The internal audit function is currently outsourced to an independent firm of consultants, which is responsible for the review and appraisal of the internal control system within the Group. The scope and plan of their work, including the approach and the programme, is presented to the Audit Committee for approval before commencement of audit. The maintenance of the ISO 9001 certification requires two independent audits by Lloyd's Register Quality Assurance and two internal quality audits per year. These audits serve as platforms to ensure that the requisite internal controls are in place. More information on this is contained in the Statement on Internal Control set out on page 15 to 16 of the Annual Report.

TERMS OF REFERENCE

OBJECTIVES

The Audit Committee's aim is to assist the Board of Directors in fulfilling the following objectives:

- Review the Group's processes relating to risks and internal control;
- Oversee the corporate accounting and financial reporting practices; and
- Evaluate the internal and external audit processes.

MEMBERSHIP

The Committee shall be appointed by the Board from amongst their number and shall be composed of no fewer than three (3) members, the majority of whom should be independent Directors.

At least one member of the Audit Committee:

- Must be a member of the Malaysia Institute of Accountants; or
- If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - He must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

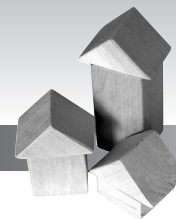
The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.

The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director. In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above requirements, the vacancy shall be filled within 3 months.

QUORUM AND COMMITTEE'S PROCEDURES

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.

In order to form a quorum for the meeting, the majority of the members present must be independent non-executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.



AUDIT COMMITTEE REPORT (CONTINUED)

QUORUM AND COMMITTEE'S PROCEDURES (CONTINUED)

Any two (2) members of the Committee present at the meeting shall constitute a quorum.

The Company Secretary shall be appointed Secretary of the Committee and, in conjunction with the Chairman, shall draw up the agenda which shall be sent to all members of the Committee and other persons who may be required / invited to attend. All meetings to review the quarterly results and annual financial statements, shall be held prior to such quarterly results and annual financial statements being presented to the Board for approval.

Notwithstanding the above, upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider matters brought to its attention.

The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

The Committee may, as and when deemed necessary, invite other Board members and senior management members to attend the meetings.

The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit findings and the recommendations relating to such findings.

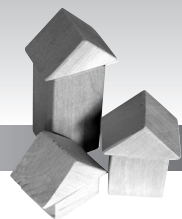
It is at the Committee's discretion to meet with the external auditors at least once a year without the presence of the executive Directors. If the Committee members are satisfied with the reporting practices as well as the level of independence shown by the external auditors, or they are able to clarify matters directly with the external auditors and do not feel the need to convene an additional meeting, this meeting shall not be held.

The Committee shall regulate the manner of the proceedings of its meetings.

AUTHORITY AND RIGHTS

The Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:

- Have the authority to investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any information pertaining to the Group;
- Have direct communication channels with the external and internal auditors;
- Be able to obtain independent professional or other advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary; and
- Be able to convene meetings with the external auditors, without the presence of the Executive Directors, whenever deemed necessary.



AUDIT COMMITTEE REPORT (CONTINUED)

RESPONSIBILITIES AND DUTIES

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties - review the following and report the same to the Board:

- with the external auditors, the audit scope and plan;
- with the external auditors, an evaluation of the quality and effectiveness of the accounting system;
- with the external auditors, the audit report;
- the assistance rendered by employees of the Company to the auditors;
- with the internal auditors, the adequacy of the scope, duties and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- with the internal auditors, the adequacy and integrity of the internal control system and the efficiency of the Group's operations and efforts taken to reduce the Group's operational risks;
- the internal audit programme, processes and results, and the actions taken on the recommendations of the internal audit function;
- the appointment, performance and remuneration of the internal audit staff;
- the quarterly results and annual financial statements prior to the approval by the Board, focusing particularly on:
 - changes in or implementation of major accounting policy;
 - significant or unusual events;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements;
- any related party transaction and conflict of interest situation that may arise within the Company / Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- with the external and internal auditors, major audit findings, reservations or material weaknesses and the Management's response in resolving the audit issues reported during the year; and
- any other activities, as authorized by the Board.



DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 28 February 2003.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiary companies are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit / (Loss) after taxation	6,407,952	(338,249)
Minority interests	4,488	-
Net profit / (loss) for the financial year	<u>6,412,440</u>	<u>(338,249)</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors also do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in Note 26 to the financial statements.

ISSUES OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

DIRECTORS

The Directors who held office since the date of the last report are:

Dato' Tajudin bin Haji Hashim (Executive Chairman)

Beh Huck Lee (Managing Director)

Dato' Paduka Haji Radzi bin Haji Bassir

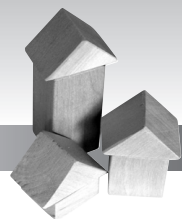
Dato' Jaafar bin Jamaludin

Datin Teoh Choon Boay

Tan Hiang Joo

Mohamed Rizal bin Tajudin

Kek Jenny



DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

Pursuant to the Company's Articles of Association, Dato' Tajudin bin Haji Hashim and Tan Hiang Joo retire from the Board by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re election.

Dato' Paduka Haji Radzi bin Haji Bassir who has attained the age of seventy, retires in accordance with Section 129(2) of the Companies Act, 1965 at the forthcoming Annual General Meeting. The Board of Directors recommends that he be re appointed in accordance with Section 129(6) of the said Act and to hold office until the conclusion of the next Annual General Meeting of the Company.

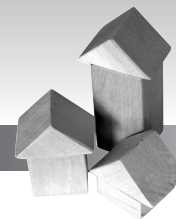
DIRECTORS' INTERESTS IN SHARES

The Directors holding office at the end of the financial year and their interests in the ordinary shares of the Company and related corporations during the financial year ended 28 February 2003 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 are as follows:

Shares in the Company	Number of Ordinary Shares of RM1.00 each			Balance as at 28.2.2003
	Balance as at 1.3.2002	Bought	Sold	
<u>Direct Interest</u>				
Datin Teoh Choon Boay	234,416	-	-	234,416
Tan Hiang Joo	10,000	-	-	10,000
Beh Huck Lee	-	3,500,000	-	3,500,000
<u>Indirect Interest</u>				
Dato' Tajudin bin Haji Hashim	31,243,392	-	-	31,243,392
Beh Huck Lee	52,764,989	-	(3,500,000)	49,264,989
Datin Teoh Choon Boay	52,764,989	-	(3,500,000)	49,264,989
Mohamed Rizal bin Tajudin	31,243,392	-	-	31,243,392

None of the other Directors in office at the end of the financial year had any interests in the ordinary shares of the Company and its related corporations during the financial year.

By virtue of their interests in the ordinary shares of the Company, all the Directors except for Dato' Paduka Haji Radzi bin Haji Bassir, Dato' Jaafar bin Jamaludin, Tan Hiang Joo and Kek Jenny are deemed to have interests in the ordinary shares of the subsidiary companies to the extent the Company has an interest.



DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the remuneration received and receivable by the Directors from the related corporations in their capacity as Directors of those corporations.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

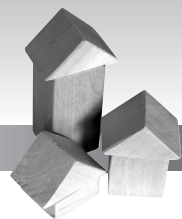
OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY:

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and



DIRECTORS' REPORT (CONTINUED)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (CONTINUED)

- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

EVENT SUBSEQUENT TO THE BALANCE SHEET

On 20 March 2003, Eupe Kemajuan Sdn. Bhd., a subsidiary company, entered into a conditional Sale and Purchase Agreement with Perbadanan Kemajuan Negeri Kedah to acquire 10 plots of agricultural land measuring approximately 3,190 acres for a total consideration of RM127.6 million on a staggered basis.

The salient terms of payment as stipulated in the agreement are as follows:

- (i) A sum of RM12,760,000 by way of deposit and to the account of part payment of the total consideration shall be paid at such times as set out below:
 - (a) RM4,253,334 upon signing of the agreement; and
 - (b) The balance deposit sum to be payable on or before the expiration of a period of 45 days from the signing of the agreement.
- (ii) The balance of the total price of RM114.84 million shall be paid by such instalments according to the purchase consideration of the individual plot of land in the following manner:
 - (a) RM67.24 million to the account of part payment of the total consideration shall be payable on or before the expiration of the 21 days from the unconditional date or within 6 months from the day the agreement is executed, whichever is earlier; and
 - (b) The sum of RM47.6 million to the account of final payment of the total consideration shall be paid on or before the expiration of a period of 1 year from the date the agreement is executed.

Vacant possession of each plot of land shall be delivered by the Vendor upon full payment of the purchase consideration of the relevant plot.

The acquisition is conditional upon obtaining the approval of the shareholders of the Group and the relevant regulatory bodies.



DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Tajudin bin Haji Hashim
Director

Beh Huck Lee
Director

Sungai Petani, Kedah Darul Aman



STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 28 to 59 have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the state of affairs of the Group and of the Company as at 28 February 2003 and of their results for the financial year then ended; and
- (ii) the cash flows of the Group and of the Company for the financial year ended 28 February 2003.

On behalf of the Board,

Dato' Tajudin bin Haji Hashim
 Director

Beh Huck Lee
 Director

Sungai Petani, Kedah Darul Aman

STATUTORY DECLARATION

I, Dato' Tajudin bin Haji Hashim, being the Director primarily responsible for the financial management of Eupe Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 59 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
 declared by the abovenamed at)
 Sungai Petani this)
)

Before me:



REPORT OF THE AUDITORS TO THE MEMBERS OF EUPE CORPORATION BERHAD

We have audited the financial statements set out on pages 28 to 59. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:
 - i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - ii) the state of affairs of the Group and of the Company as at 28 February 2003 and of their results and cash flows for the financial year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors, as indicated in Note 7 to the financial statements, being financial statements that have been included in the consolidated financial statements.

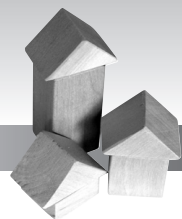
We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

BDO Binder
AF:0206
Chartered Accountants

Siew Kah Toong
1045/03/04 (J)
Partner

Kuala Lumpur
26 June 2003



BALANCE SHEETS
AS AT 28 FEBRUARY 2003

	NOTE	2003 RM	Group 2002 RM	2003 RM	Company 2002 RM
ASSETS EMPLOYED					
PROPERTY, PLANT AND EQUIPMENT	6	76,256,168	76,612,091	3,248	3,911
INVESTMENT IN SUBSIDIARY COMPANIES	7	-	-	119,094,082	119,094,082
INVESTMENT IN AN ASSOCIATED COMPANY	8	27,356	30,000	-	-
OTHER INVESTMENTS	9	10,130	-	-	-
DEVELOPMENT PROPERTIES	10	85,831,219	89,267,089	-	-
INVESTMENT PROPERTIES	11	18,940,033	18,637,000	-	-
LAND HELD FOR FUTURE DEVELOPMENT	12	2,367,174	2,367,174	-	-
CURRENT ASSETS					
Development properties	10	22,304,233	13,399,482	-	-
Inventories	13	16,021,787	16,590,422	-	-
Trade receivables	14	7,115,626	12,661,984	-	-
Other receivables, deposits and prepayments	15	5,853,257	2,220,673	4,500	5,762
Amounts owing by subsidiary companies	16	-	-	34,515,529	29,829,136
Sinking and redemption funds	17	564,826	685,428	-	-
Tax recoverable		353,149	654,822	22,452	24,514
Fixed deposits with licensed banks	18	954,193	1,713,182	-	238,720
Cash and bank balances	19	2,196,697	1,774,589	4,365	4,571
		55,363,768	49,700,582	34,546,846	30,102,703
LESS: CURRENT LIABILITIES					
Trade payables	20	5,738,828	5,336,675	-	-
Other payables and accruals	21	2,033,579	2,554,118	57,000	59,252
Provision for infrastructure cost	22	1,859,770	1,859,770	-	-
Amounts owing to subsidiary companies	16	-	-	18,123,354	13,339,373
Term loans - secured	23	1,194,805	1,942,121	-	-

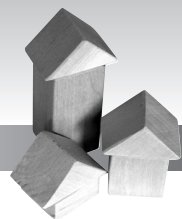


BALANCE SHEETS (CONTINUED)

LESS: CURRENT LIABILITIES (CONTINUED)

		Group		Company	
	NOTE	2003 RM	2002 RM	2003 RM	2002 RM
Bank overdraft - secured	24	162,641	2,442	-	-
Taxation		441,785	418,966	-	-
		<u>11,431,408</u>	<u>12,114,092</u>	<u>18,180,354</u>	<u>13,398,625</u>
NET CURRENT ASSETS		<u>43,932,360</u>	<u>37,586,490</u>	<u>16,366,492</u>	<u>16,704,078</u>
		<u>227,364,440</u>	<u>224,499,844</u>	<u>135,463,822</u>	<u>135,802,071</u>
FINANCED BY					
SHARE CAPITAL	25	128,000,000	128,000,000	128,000,000	128,000,000
RESERVES	26	<u>70,474,908</u>	<u>65,358,024</u>	<u>7,463,822</u>	<u>7,802,071</u>
SHAREHOLDERS' EQUITY		<u>198,474,908</u>	<u>193,358,024</u>	<u>135,463,822</u>	<u>135,802,071</u>
MINORITY INTEREST		95,512	100,000	-	-
LONG TERM AND DEFERRED LIABILITIES					
Term loans - secured	23	14,779,137	16,939,362	-	-
Deferred taxation	27	<u>14,014,883</u>	<u>14,102,458</u>	-	-
		<u>227,364,440</u>	<u>224,499,844</u>	<u>135,463,822</u>	<u>135,802,071</u>

The attached notes form an integral part of the financial statements.



INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2003

		Group		Company	
	NOTE	2003 RM	2002 RM	2003 RM	2002 RM
REVENUE	28	81,098,067	42,083,618	-	-
COST OF SALES		(66,730,962)	(32,729,275)	-	-
GROSS PROFIT		14,367,105	9,354,343	-	-
OTHER OPERATING INCOME		886,949	1,319,789	7,752	133,405
AMORTISATION OF RESERVE ON CONSOLIDATION		1,020,938	1,020,938	-	-
MARKETING AND DISTRIBUTION COSTS		(537,563)	(431,483)	-	-
ADMINISTRATION EXPENSES		(5,506,677)	(4,953,824)	(186,429)	(172,764)
OTHER OPERATING EXPENSES		(1,156,488)	(2,030,600)	(157,510)	(158,411)
PROFIT / (LOSS) FROM OPERATIONS		9,074,264	4,279,163	(336,187)	(197,770)
FINANCE COST		(527,825)	(740,453)	-	-
SHARE OF RESULTS IN AN ASSOCIATED COMPANY		(2,644)	-	-	-
PROFIT / (LOSS) BEFORE TAXATION	29	8,543,795	3,538,710	(336,187)	(197,770)
TAXATION	30	(2,135,843)	(349,364)	(2,062)	(35,305)
PROFIT / (LOSS) AFTER TAXATION		6,407,952	3,189,346	(338,249)	(233,075)
MINORITY INTERESTS		4,488	-	-	-
NET PROFIT / (LOSS) FOR THE FINANCIAL YEAR		6,412,440	3,189,346	(338,249)	(233,075)
BASIC EARNINGS PER ORDINARY SHARE (Sen)	31	5.0	2.5		
DILUTED EARNINGS PER ORDINARY SHARE (Sen)	31	5.0	2.5		

The attached notes form an integral part of the financial statements.

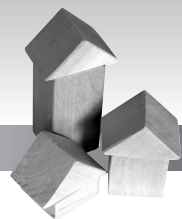


STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2003

Group	Ordinary share capital RM	Share premium RM	Reserve on consolidation RM	Retained profits RM	Total RM
Balance as at 28 February 2001	128,000,000	5,982,397	46,623,946	12,175,740	192,782,083
Amortisation for the financial year	-	-	(1,020,938)	-	(1,020,938)
Credit to income statement upon sales of properties	-	-	(1,592,467)	-	(1,592,467)
Net profit for the financial year	-	-	-	3,189,346	3,189,346
Balance as at 28 February 2002	128,000,000	5,982,397	44,010,541	15,365,086	193,358,024
Amortisation for the financial year	-	-	(1,020,938)	-	(1,020,938)
Credit to income statement upon sales of properties	-	-	(274,618)	-	(274,618)
Net profit for the financial year	-	-	-	6,412,440	6,412,440
Balance as at 28 February 2003	128,000,000	5,982,397	42,714,985	21,777,526	198,474,908

Company	Ordinary share capital RM	Share premium RM	Retained profits RM	Total RM
Balance as at 28 February 2001	128,000,000	5,982,397	2,052,749	136,035,146
Net loss for the financial year	-	-	(233,075)	(233,075)
Balance as at 28 February 2002	128,000,000	5,982,397	1,819,674	135,802,071
Net loss for the financial year	-	-	(338,249)	(338,249)
Balance as at 28 February 2003	128,000,000	5,982,397	1,481,425	135,463,822

The attached notes form an integral part of the financial statements.



CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2003

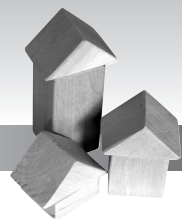
	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	76,241,055	47,235,348	-	-
Cash payments to suppliers and creditors	(50,104,109)	(27,153,153)	-	-
Cash payments to employees and for expenses	(11,969,226)	(9,799,813)	(344,266)	(344,522)
Cash generated from / (used in) operations	14,167,720	10,282,382	(344,266)	(344,522)
Interest income received	150,805	279,154	7,752	133,405
Rental income received	463,722	706,886	-	-
Bank overdraft interest paid	(1,532)	(5,462)	-	-
Deposit received / (paid)	64,193	(226,660)	-	-
Tax paid	(1,898,792)	(1,106,269)	-	(61,699)
Net cash from / (used in) operating activities	12,946,116	9,930,031	(336,514)	(272,816)
CASH FLOWS FROM INVESTING ACTIVITIES				
Insurance claim received	11,193	96,318	-	-
Proceeds from disposal of property, plant and equipment	2,973	5,115	-	-
Additional investment in a subsidiary company	-	-	-	(500,000)
Investment in unit trust	(10,130)	-	-	-
Deposit paid for acquisition of freehold land (Note 15)	(4,253,334)	-	-	-
Purchase of development land	(3,907,729)	(27,000,000)	-	-
Purchase of property, plant and equipment (Note 6)	(1,853,862)	(2,282,360)	-	-
Net withdrawal / (placement) of fixed deposits	83,236	(63,153)	-	-
Net advances from / (repayment to) subsidiary companies	-	-	97,588	(4,783,621)
Net cash (used in) / from investing activities	(9,927,653)	(29,244,080)	97,588	(5,283,621)



CASH FLOW STATEMENTS (CONTINUED)

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loan	-	11,718,000	-	-
Proceeds from shares issued by subsidiary company to minority shareholders	-	100,000	-	-
Repayment of term loan	(2,907,540)	(2,187,986)	-	-
Term loan interest paid	(524,767)	(698,101)	-	-
Net cash (used in) / from financing activities	(3,432,307)	8,931,913	-	-
Net decrease in cash and cash equivalents	(413,844)	(10,382,136)	(238,926)	(5,556,437)
Cash and cash equivalents at beginning of financial year	2,797,191	13,179,327	243,291	5,799,728
Cash and cash equivalents at end of financial year (Note 32)	2,383,347	2,797,191	4,365	243,291

The attached notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

28 FEBRUARY 2003

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The registered office of the Company is located at Suite 1701, 17th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, 50100 Kuala Lumpur.

The principal place of business of the Company is located at 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman.

The financial statements are presented in Ringgit Malaysia.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors recognises the importance of financial risk management in the overall management of the Group's businesses. A sound risk management system will not only mitigate financial risk but will be able to create opportunities if risk elements are properly managed.

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies, as set out as follows:

Liquidity and cash flow risks

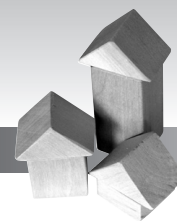
The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measures and forecasts of its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group also maintains available banking facilities sufficient to meet its operational needs.

Credit risk

For the property development arm, credit risk is minimal since most of the property buyers would have charged their properties to financial institutions. With regards to the hospitality division, credit risk is controlled by the application of credit approvals, limit and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to parties with high credit worthiness. Trade receivables are monitored on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Interest rate risk

The Group's income and operating cash are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and is managed through the use of fixed and floating rate debts. The Group does not use derivative financial instruments to hedge its risk.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk

The Group has in place policies to manage the Group's exposure to fluctuation in the prices of key raw materials, labour and construction contracts. The Group enters into fixed price contracts to establish determinable prices for property development activities.

3. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiary companies are set out in Note 7.

There have been no significant changes in the nature of these activities during the financial year.

4. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies.

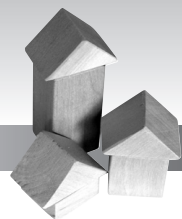
The preparation of financial statements in conformity with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year using the acquisition method of accounting.

The difference, if any, between the purchase price and the fair value of the net assets of subsidiary companies at the date of acquisition is reflected in the consolidated balance sheet as goodwill or reserve on consolidation. However, if the amounts involved are immaterial, goodwill and reserve on acquisition is charged to income statement as and when they arise.

Goodwill or reserve on consolidation arising from the acquisition of development property companies is amortised or credited to the consolidated income statement upon sale of the development properties. Goodwill or reserve on consolidation arising from the acquisition of non-development property companies is amortised



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.2 Basis of consolidation (continued)

over its expected useful economic life of twenty-five (25) years. The results of the subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the date of their acquisition or up to the date of their disposal.

Inter-company balances and transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Minority interest is measured at the minorities' share of the post acquisition for values of the identifiable assets and liabilities of the acquiree.

5.3 Investments

(i) Investment in subsidiary companies

Subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies which are eliminated on consolidation are stated at cost less impairment losses, if any.

(ii) Investment in associated companies

An associated company is a company in which the Group has a long term equity interest of between 20% to 50% and where the Group is in a position to exercise significant influence over the financial and operating policies of the investee company.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method. The Group's interests in associated companies are stated at cost plus adjustments to reflect changes in the Group's share of profits and losses in the associated companies.

Goodwill or negative goodwill arising on acquisition represents the difference between the cost of investment and the Group's share of the value of net assets of the associated companies at the date of acquisition.

The Group's share of results and reserves in the associated companies acquired or disposed of are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

The Group's investment in associated companies is stated at cost less impairment losses, if any.

(iii) Other investments

Investment in shares, bonds and debentures held as long term investments are stated at cost less impairment losses, if any.

Short term investments are stated at the lower of cost and market value on a portfolio basis.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.4 Development properties

The property development projects on which development activities have commenced and expected to be completed within the normal operating cycle of two to three years are treated as current assets.

When the outcome of a development project cannot be estimated reliably, project revenue are recognised only to the extent of project costs incurred that it is probable to be recoverable and development expenditure are recognised as an expense in the period in which they are incurred.

When it is probable that total development expenditure will exceed total project revenue, the expected loss is recognised as an expense immediately.

When the outcome of a development project can be estimated reliably, development revenue and expenditure associated with the development project are recognised as revenue and expenses respectively by reference to the stage of completion of the property development activity at the balance sheet date.

The stage of completion of a development project is determined based on the proportion of development expenditure incurred for work performed to date to the estimated total development expenditure.

The cost of land held for development together with the related development expenditure are carried forward at cost plus profit accrued according to the appropriate stage of completion less progress billings and provision for foreseeable loss, if any. Development expenditure consists of construction and other related development costs including interest expenses and operating overheads relating to the projects from commencement to the completion of development.

5.5 Interest capitalisation

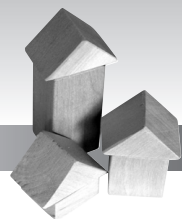
Interest incurred on borrowed funds utilised for the property development projects is capitalised until the projects are ready for their intended use after which such interest is charged to the income statements.

5.6 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation or amortisation and impairment losses, if any.

Freehold land is not depreciated. Leasehold golf course and club buildings are amortised over the lease period of 55 years. Depreciation on other property, plant and equipment is calculated to write off the cost of assets on a straight line basis over their estimated useful lives. The principal annual depreciation rates used are as follows:

Buildings	2%
Renovation, electrical and amusements	10% to 20%
Motor vehicles	20%
Furniture, fittings and equipment	10% to 20%
Sport equipment, machinery and others	10% to 20%



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.7 Investment properties

Investment properties consist of freehold land and buildings which are held for their investment potential and rental income and are not depreciated. Investment properties are stated at cost less impairment losses, if any.

5.8 Land held for future development

Land held for future development consists of freehold land and related development expenditure is stated at cost less impairment losses, if any. The land is held for its future development potential and is not depreciated.

5.9 Construction contract

When the outcome of a construction contract can be estimated reliably, contract revenue and contract expenditure associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the construction activity at the balance sheet date.

When the outcome of a construction contract cannot be estimated reliably, contract revenue are recognised only to the extent of contract expenditure incurred that it is probable to be recoverable and contract expenditure are recognised as an expense in the period in which they are incurred.

When it is probable that total contract expenditure will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The stage of completion of a construction contract is determined based on the proportion of contract expenditure incurred for work performed to date over the estimated total contract expenditure.

When costs incurred plus attributable profits or less foreseeable losses exceed progress billings, the balance is shown as amounts due from customers for contract works. When progress billings exceed costs incurred plus attributable profits or less foreseeable losses, the balance is shown as amounts due to customers for contract works.

5.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of food and beverage, and building materials is determined on a first-in, first-out basis and comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition.

Cost of completed properties which comprises residential houses, shophouses and light industrial factories includes land cost and relevant development expenditure.

5.11 Receivables

Known bad debts are written off and specific allowance is made for debts considered doubtful of collection.

5.12 Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than inventories, deferred tax assets and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.12 Impairment of assets (continued)

is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

The impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of the specific event. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.14 Deferred taxation

Deferred taxation is provided for under the liability method at the current taxation rate in respect of all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Deferred taxation benefits are recognised only when there is reasonable assurance of their realisation.

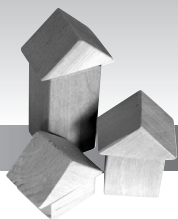
5.15 Revenue recognition

Revenue of the Group represents rental income, subscription and entrance fees charged, invoice value of goods sold and services rendered less returns and discounts.

Revenue of the Company consists of dividend income.

Revenue are recognised upon delivery of products and customer acceptance, or performance of services, net of sales taxes and discounts.

Revenue from development properties is recognised in the income statements based on the percentage of completion method. The stage of completion of a property development is determined based on the proportion of development expenditure incurred for work performed to date to the estimated total development expenditure.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.15 Revenue recognition (continued)

Revenue from construction contracts is recognised in the income statements based on the percentage of completion method. The stage of completion of a construction contract is determined based on the proportion of contract expenditure incurred for work performed to date to the estimated total contract expenditure.

Rental income, subscription and entrance fees are recognised on accrual basis.

Dividends are recognised when the shareholder's right to receive payment is established.

5.16 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

5.17 Segment information

Segment information is presented in respect of the Group's business segments. The primary reporting segment information is in respect of business segments as the Group risk and rates of return are affected predominantly by differences in the nature of its businesses.

Segments results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that is expected to be used for more than one period.

5.18 Financial instruments

(a) Financial instruments recognised in the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

(b) Disclosure of fair values

The fair values of the financial assets and liabilities maturing within 12 months are stated at approximately the carrying value as at the balance sheet date.

The fair values of quoted investments are estimated based on quoted market prices. For investments for which there are no quoted market prices, a reasonable estimate of fair value could not be made without incurring excessive costs. Therefore, such investments are valued at cost subject to review for impairment.

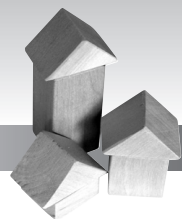
The fair values of term loans are estimated based on the market rates for the same or similar loans with the same remaining maturities.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.3.2002 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance as at 28.2.2003 RM
At cost						
Freehold land and buildings	36,658,511	498	-	(85,374)	-	36,573,635
Leasehold golf course and club buildings	40,000,000	-	-	-	-	40,000,000
Renovation, electrical and amusements	3,139,199	792,336	-	-	(3,891)	3,927,644
Motor vehicles	1,362,874	-	-	-	-	1,362,874
Furniture, fittings and equipment	5,107,770	452,698	(20,593)	(668)	(7,800)	5,531,407
Sport equipment, machinery and others	5,502,540	608,330	-	-	11,691	6,122,561
	91,770,894	1,853,862	(20,593)	(86,042)	-	93,518,121
	Balance as at 1.3.2002 RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance as at 28.2.2003 RM
Accumulated depreciation / amortisation						
Freehold land and buildings	1,070,969	170,516	-	(17,075)	-	1,224,410
Leasehold golf course and club buildings	4,404,040	740,740	-	-	-	5,144,780
Renovation, electrical and amusements	1,217,558	349,075	-	-	(357)	1,566,276
Motor vehicles	1,148,825	51,415	-	-	-	1,200,240
Furniture, fittings and equipment	3,255,466	436,932	(20,593)	(237)	(780)	3,670,788
Sport equipment, machinery and others	4,061,945	392,377	-	-	1,137	4,455,459
	15,158,803	2,141,055	(20,593)	(17,312)	-	17,261,953



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance as at 1.3.2001 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance as at 28.2.2002 RM
At cost						
Freehold land and buildings	36,658,511	-	-	-	-	36,658,511
Leasehold golf course and club buildings	40,000,000	-	-	-	-	40,000,000
Renovation, electrical and amusements	1,790,985	1,335,014	-	-	13,200	3,139,199
Motor vehicles	1,273,404	122,938	(33,468)	-	-	1,362,874
Furniture, fittings and equipment	4,717,814	406,770	(3,215)	(399)	(13,200)	5,107,770
Sport equipment, machinery and others	5,085,124	417,638	-	(222)	-	5,502,540
	89,525,838	2,282,360	(36,683)	(621)	-	91,770,894

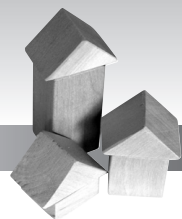
	Balance as at 1.3.2001 RM	Charge for the financial year RM	Disposals RM	Written off RM	Reclassi- fication RM	Balance as at 28.2.2002 RM
Accumulated depreciation / amortisation						
Freehold land and buildings	896,184	174,785	-	-	-	1,070,969
Leasehold golf course and club buildings	3,663,301	740,739	-	-	-	4,404,040
Renovation, electrical and amusements	1,031,269	185,189	-	-	1,100	1,217,558
Motor vehicles	1,083,465	98,827	(33,467)	-	-	1,148,825
Furniture, fittings and equipment	2,868,425	389,539	(1,208)	(190)	(1,100)	3,255,466
Sport equipment, machinery and others	3,697,378	364,717	-	(150)	-	4,061,945
	13,240,022	1,953,796	(34,675)	(340)	-	15,158,803



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Balance as at 1.3.2002 RM	Addition RM	Balance as at 28.2.2003 RM	
2003				
At cost				
Furniture, fittings and equipment	6,633	-	6,633	
	Balance as at 1.3.2002 RM	Charge for the financial year RM	Balance as at 28.2.2003 RM	
Accumulated depreciation				
Furniture, fittings and equipment	2,722	663	3,385	
Company	Balance as at 1.3.2001 RM	Addition RM	Balance as at 28.2.2002 RM	
2002				
At cost				
Furniture, fittings and equipment	6,633	-	6,633	
	Balance as at 1.3.2001 RM	Charge for the financial year RM	Balance as at 28.2.2002 RM	
Accumulated depreciation				
Furniture, fittings and equipment	2,059	663	2,722	
	2003 RM	Group 2002 RM	2003 RM	Company 2002 RM
Net book value				
Freehold land and buildings	35,349,225	35,587,542	-	-
Leasehold golf course and club buildings	34,855,220	35,595,960	-	-
Renovation, electrical and amusements	2,361,368	1,921,641	-	-
Motor vehicles	162,634	214,049	-	-
Furniture, fittings and equipment	1,860,619	1,852,304	3,248	3,911
Sport equipment, machinery and others	1,667,102	1,440,595	-	-
	76,256,168	76,612,091	3,248	3,911



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Certain freehold land and buildings of the Group with net book value of RM24,042,965 (2002: RM24,209,081) have been pledged to licensed banks for credit facilities granted to the Group as disclosed in Note 23.

The title of a freehold land with a cost of RM7,133,779 (2002: RM7,133,779) has not been issued by the relevant authority.

7. INVESTMENT IN SUBSIDIARY COMPANIES

	2003 RM	Company 2002 RM
Unquoted shares, at cost	119,094,082	119,094,082

The details of the subsidiary companies which are all incorporated in Malaysia are as follows:

Subsidiaries of the Company	Group's effective interest		Principal activities
	2003 %	2002 %	
Eupe Realty Sdn. Bhd.	100	100	Property investment and management
Riacon Sdn. Bhd.	100	100	Building construction and sales of building materials
Bukit Makmur Sdn. Bhd.	100	100	Property development
Mera-Land (Malaysia) Sdn. Bhd.	100	100	Property development
Esteem Glory Sdn. Bhd.	100	100	Property development
Eupe Kemajuan Sdn. Bhd.	100	100	Property development
Desani Enterprise Sdn. Bhd.*	100	100	Property development
Eupe Hotel Sdn. Bhd.*	100	100	Property rental
Ria Plaza Sdn. Bhd.*	100	100	Operating a complex for rental of stalls
Ria Food Centre Sdn. Bhd.*	100	100	Operating a complex for rental of stalls
Pasar Taman Ria Sdn. Bhd.*	100	100	Operating a complex for rental of stalls
Eupe Golf Management Berhad*	100	100	Management of club providing golf and recreation facilities
Eupe Golf Recreation & Tour Sdn. Bhd.*	100	100	Chalet operation, recreation, tour services and restaurant services
Subsidiary of Eupe Kemajuan Sdn. Bhd.			
Eupe Development Sdn. Bhd.*	60	60	Dormant



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Subsidiaries of the Company	Group's effective interest		Principal activities
	2003	2002	
	%	%	
Subsidiary of Bukit Makmur Sdn. Bhd.			
Makmur Organic Farming Sdn. Bhd. *	100	100	Vegetable farming and mixed agricultural cultivation
Subsidiary of Eupe Hotel Sdn. Bhd.			
Millennium Pace Sdn. Bhd.*	100	-	Management of resort and tourist facilities

* Not audited by BDO Binder

During the financial year, a subsidiary company, Eupe Hotel Sdn. Bhd., subscribed for 100% equity interest in Millennium Pace Sdn. Bhd. for a cash consideration of RM2.

8. INVESTMENT IN AN ASSOCIATED COMPANY

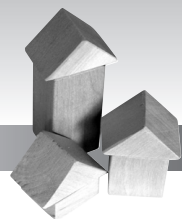
	Group	
	2003 RM	2002 RM
Unquoted shares, at cost	30,000	30,000
Group's share of post acquisition results	(2,644)	-
	<u>27,356</u>	<u>30,000</u>

The Company's investment in the associated company is represented by:

	2003 RM	2002 RM
Share of total assets	27,794	30,108
Share of total liabilities	(438)	(108)
	<u>27,356</u>	<u>30,000</u>

The details of the associated company which is incorporated in Malaysia are as follows:

Name of company	Group's effective interest		Principal activities
	2003	2002	
	%	%	
Integrated Manufacturing Centre Management Sdn. Bhd.	30	30	Dormant



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. OTHER INVESTMENTS

	2003 RM	Group 2002 RM
Investment in fixed income unit trusts, at cost	10,130	-
Market value of fixed income unit trusts	<u>10,130</u>	<u>-</u>

10. DEVELOPMENT PROPERTIES

	2003 RM	Group 2002 RM
Non-current		
Freehold land, at cost	75,005,303	80,661,030
Development expenditure	<u>10,825,916</u>	<u>8,606,059</u>
	<u>85,831,219</u>	<u>89,267,089</u>
Current		
Freehold land, at cost	22,267,296	14,868,976
Development expenditure	<u>82,830,438</u>	<u>57,829,079</u>
	105,097,734	72,698,055
Attributable profit	<u>12,485,168</u>	<u>7,987,764</u>
	117,582,902	80,685,819
Less: Progress billings	<u>(95,278,669)</u>	<u>(67,286,337)</u>
	<u>22,304,233</u>	<u>13,399,482</u>

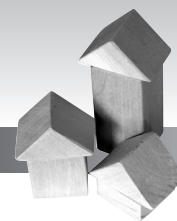
The freehold land under non-current and current portion of RM21,101,762 (2002: RM30,151,496) and RM12,773,817 (2002: RM10,956,967) respectively are pledged to licensed banks for credit facilities as disclosed in Note 23.

The freehold land with cost of RM13,265,625 (2002: RM4,614,307) is registered under a third party's name. Approval from the local authorities has been obtained for not transferring into the name of the subsidiary companies but to be registered under the purchasers' name upon delivery of the properties.

11. INVESTMENT PROPERTIES

	2003 RM	Group 2002 RM
Freehold land and buildings, at cost	<u>18,940,033</u>	<u>18,637,000</u>

Included in investment properties are freehold land and building of RM13,680,000 (2002: RM13,680,000) that have been pledged to licensed banks for credit facilities as disclosed in Note 23.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LAND HELD FOR FUTURE DEVELOPMENT

	2003 RM	Group	2002 RM
Freehold land held for future development	2,360,000		2,360,000
Development expenditure	7,174		7,174
	2,367,174		2,367,174

13. INVENTORIES

	2003 RM	Group	2002 RM
At cost			
Food and beverage	99,476		80,102
Building materials	129,362		23,898
Completed properties	15,792,949		16,486,422
	16,021,787		16,590,422

14. TRADE RECEIVABLES

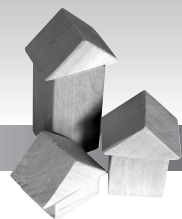
	2003 RM	Group	2002 RM
Trade receivables	7,207,286		12,753,644
Less: Allowance for doubtful debts	(91,660)		(91,660)
	7,115,626		12,661,984

The credit terms of trade receivables range from 30 to 150 days.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Group

Included in other receivables, deposits and prepayments is deposit paid for the purchase of freehold land amounting to RM4,253,334 for future development as mentioned in Note 39.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. AMOUNTS OWING BY / (TO) SUBSIDIARY COMPANIES

Company

The amounts owing by / (to) subsidiary companies represent advances and payments made on behalf which are unsecured, interest free and have no fixed terms of repayment.

17. SINKING AND REDEMPTION FUNDS

Group

The sinking and redemption funds are created under a trust deed to meet the refund of deposits on refundable membership and cost of major periodic repairs of the golf club.

18. FIXED DEPOSITS WITH LICENSED BANKS

Group

Included in fixed deposits with licensed banks is an amount of RM604,902 (2002: RM688,138) that are pledged to licensed banks for bank guarantee facilities granted to the Group.

The weighted average effective interest rate is 4.04%.

19. CASH AND BANK BALANCES

Group

Included in cash and bank balances is an amount of RM1,167,179 (2002: RM505,099) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Housing Development Account) Regulations 1991.

20. TRADE PAYABLES

Group

The credit terms of trade payables range from 30 to 150 days.

21. OTHER PAYABLES AND ACCRUALS

Group

Included in other payables and accruals are deposits received for the sale of freehold land amounting to RM193,818 (2002: RM Nil).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

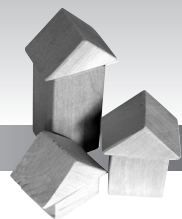
22. PROVISION FOR INFRASTRUCTURE COST

	2003 RM	Group 2002 RM
Balance as at 1 March	1,859,770	-
Provision made during the financial year	-	1,859,770
Balance as at 28 February	<u>1,859,770</u>	<u>1,859,770</u>

Provision for infrastructure cost is in respect of a housing development project undertaken by a subsidiary company of which the subsidiary company is obliged to incur to meet the requirements of the authorities for the completion of the development project.

23. TERM LOANS - SECURED

	2003 RM	Group 2002 RM
(a) Term loan I repayable by 132 monthly instalments of RM47,851 each commencing June 1996	2,377,845	2,741,862
(b) Term loan II repayable by 60 monthly instalments of RM53,200 each commencing September 1998	-	495,416
(c) Term loan III repayable by 120 monthly instalments of RM79,320 each commencing June 1997	1,878,097	3,926,205
(d) Term loan IV repayable by 48 monthly instalments of RM464,961 each and by servicing monthly interest of RM72,579 for a one year grace period commencing from January 2003	11,718,000	11,718,000
	<u>15,973,942</u>	<u>18,881,483</u>
Repayable as follows:		
Within the next twelve months (included under current liabilities)	1,194,805	1,942,121
After the next twelve months (included under long term liabilities)		
- more than one year and not later than five years	13,974,715	16,394,790
- later than five years	804,422	544,572
	<u>14,779,137</u>	<u>16,939,362</u>
	<u>15,973,942</u>	<u>18,881,483</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. TERM LOANS - SECURED

The term loans are secured by way of fixed charges over:

- (i) certain freehold land and buildings as disclosed in Note 6;
- (ii) certain freehold land as disclosed in Note 10; and
- (iii) certain investment properties as disclosed in Note 11.

The weighted average effective interest rates of the term loans are:

	2003
Term loan I	8.15%
Term loan II	8.40%
Term loan III	8.97%
Term loan IV	<u>8.01%</u>

24. BANK OVERDRAFT - SECURED

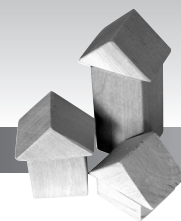
Group

The bank overdraft is secured by first legal charges over certain parcels of the freehold land of the Group.

The weighted average effective interest rate is 7.90%.

25. SHARE CAPITAL

	Group and Company	
	2003	2002
	RM	RM
Ordinary shares of RM1.00 each		
Authorised	<u>300,000,000</u>	<u>300,000,000</u>
Issued and fully paid-up	<u>128,000,000</u>	<u>128,000,000</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RESERVES

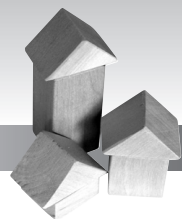
	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Non-distributable				
Share premium	5,982,397	5,982,397	5,982,397	5,982,397
Reserve on consolidation				
As at 1 March	44,010,541	46,623,946	-	-
Amortisation for the financial year	(1,020,938)	(1,020,938)	-	-
Credit to income statement	(274,618)	(1,592,467)	-	-
As at 28 February	42,714,985	44,010,541	-	-
	48,697,382	49,992,938	5,982,397	5,982,397
Distributable				
Retained profits	21,777,526	15,365,086	1,481,425	1,819,674
	70,474,908	65,358,024	7,463,822	7,802,071

Subject to the agreement of the Inland Revenue Board, the Company has:

- (a) tax exempt account of approximately RM607,780 (2002: RM607,780) available for distribution as tax exempt dividends; and
- (b) sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt account to frank the payment of dividends out of its entire retained profits as at 28 February 2003 without incurring additional tax liability.

27. DEFERRED TAXATION

	Group	
	2003 RM	2002 RM
Balance as at 1 March	14,102,458	15,067,220
Transfer to income statement (Note 30)	(87,575)	(964,762)
Balance as at 28 February	14,014,883	14,102,458
The deferred tax liabilities are made up of the following:		
Revaluation surplus arising from subsidiary companies' land	13,255,219	13,383,259
Excess of capital allowances over the corresponding depreciation of property, plant and equipment	759,664	719,199
	14,014,883	14,102,458



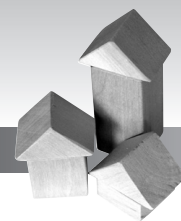
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. REVENUE

	Group	
	2003 RM	2002 RM
Attributable revenue from development properties	52,250,057	20,736,722
Attributable revenue from construction contracts	-	4,375,362
Sale of completed properties	1,365,844	1,701,589
Sale of goods	19,818,870	8,410,305
Rental income	4,945,503	3,940,726
Sports and recreation services	1,620,208	1,589,948
Subscription and entrance fees	1,097,585	1,328,966
	81,098,067	42,083,618

29. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Profit / (Loss) before taxation is arrived at after charging/(crediting):				
Amortisation of leasehold golf course and club buildings (Note 6)	740,740	740,739	-	-
Auditors' remuneration	90,050	89,350	25,000	25,000
Bad debts written off	10,056	158,345	-	-
Depreciation of property, plant and equipment (Note 6)	1,400,315	1,213,057	663	663
Directors' remuneration:				
- audit committee fees	71,000	60,000	71,000	60,000
- directors' fees paid by the subsidiary companies	40,000	60,000	-	-
- other emoluments:				
- paid / payable by the Company	115,000	100,186	115,000	100,186
- paid / payable by the subsidiary companies	826,818	707,840	-	-
Interest expense on:				
- bank overdraft	19	5,462	-	-
- term loan	524,727	698,101	-	-
Loss on disposal of property, plant and equipment	-	1,392	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. PROFIT / (LOSS) BEFORE TAXATION (CONTINUED)

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Property, plant and equipment written off	68,730	281	-	-
Rental expenses	8,750	30,435	-	-
Gain on disposal of property, plant and equipment	(2,973)	(4,499)	-	-
Interest income	(170,510)	(325,817)	(7,752)	(133,405)
Rental income	(1,090,648)	(1,238,540)	-	-
Reserve on consolidation	(2,613,405)	(2,613,405)	-	-

30. TAXATION

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Current taxation	2,240,420	1,338,957	2,062	35,485
Transfer from deferred taxation (Note 27)	(87,575)	(964,762)	-	-
	2,152,845	374,195	2,062	35,485
Over provision in prior years	(17,002)	(24,831)	-	(180)
	2,135,843	349,364	2,062	35,305

The effective tax rate of the Group is lower than the statutory tax rate mainly due to certain income which are not subject to income tax.

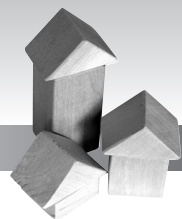
The provision for taxation of the Company for the current financial year is in respect of the interest income received.

Subject to the agreement of the Inland Revenue Board, the Company and certain subsidiary companies have unabsorbed tax losses and unutilised investment tax allowances of approximately RM134,900 (2002: RM324,500) and RM822,000 (2002: RM1,857,220) respectively available for set off against future taxable profit.

31. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

Group

The basic and diluted earnings per ordinary share for the financial year have been calculated based on the consolidated net profit for the financial year of RM6,412,440 (2002: RM3,189,346) divided by the number of ordinary shares in issue during the financial year of 128,000,000 (2002: 128,000,000).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Cash and bank balances	2,196,697	1,774,589	4,365	4,571
Fixed deposits with licensed banks	954,193	1,713,182	-	238,720
Bank overdraft	(162,641)	(2,442)	-	-
	<u>2,988,249</u>	<u>3,485,329</u>	<u>4,365</u>	<u>243,291</u>
Less: Fixed deposits pledged to licensed banks (Note 18)	(604,902)	(688,138)	-	-
	<u>2,383,347</u>	<u>2,797,191</u>	<u>4,365</u>	<u>243,291</u>

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Directors' remuneration:				
- audit committee fees	71,000	60,000	71,000	60,000
- Directors' fees paid by the subsidiary companies	40,000	60,000	-	-
- other emoluments:				
- paid/payable by the Company	115,000	100,186	115,000	100,186
- paid/payable by the subsidiary companies	826,818	707,840	-	-
	<u>826,818</u>	<u>707,840</u>	<u>-</u>	<u>-</u>

The terms, conditions and prices of the above transactions are not materially different from that obtainable in transactions with unrelated parties.

34. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2003 RM	2002 RM
Guarantees given to licensed banks for credit facilities granted to the subsidiary companies	<u>15,973,943</u>	<u>18,881,483</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. CAPITAL COMMITMENT

Group

On 17 October 2001, a subsidiary company, Eupe Development Sdn. Bhd., entered into a conditional Sales and Purchase Agreement to acquire 72.97 acres of land from Perbadanan Kemajuan Negeri Kedah at a cost of RM152,460 per acre for a total consideration of RM11,125,006. The said acquisition has yet to be completed as at the balance sheet date.

36. SEGMENTAL REPORTING

Group

Business segments

The Group's operations comprise the following business segments:

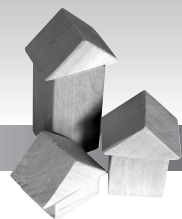
Chalet and golf management : Management of chalet, recreation, restaurant and golf club operations.

Property development : Development of residential and commercial properties.

Property construction : Building construction of residential and commercial properties, and sales of building material.

Others : Rental of properties, management of complex and vegetable farming.

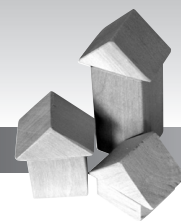
2003	Chalet and Golf management RM	Property development RM	Property construction RM	Others RM	Eliminations RM	Total RM
Revenue						
External	10,774,610	53,615,902	15,604,347	1,103,208	-	81,098,067
Inter-segment	-	-	30,380,679	231,552	(30,612,231)	-
Total revenue	10,774,610	53,615,902	45,985,026	1,334,760	(30,612,231)	81,098,067
Results						
Profit before taxation	1,254,111	4,691,918	2,246,298	354,112	-	8,546,439
Share of results of associated company	-	(2,644)	-	-	-	(2,644)
Consolidated profit before taxation						8,543,795
Taxation						(2,135,843)
Profit after taxation						6,407,952
Minority interests						4,488
Net profit for the financial year						6,412,440



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. SEGMENTAL REPORTING (CONTINUED)

2003	Chalet and golf management RM	Property development RM	Property construction RM	Others RM	Eliminations RM	Total RM
Other information						
Segment assets	74,095,122	136,535,195	(1,810,874)	29,949,049	-	238,768,492
Investment in an associated company	-	27,356	-	-	-	27,356
Total assets						238,795,848
Segment liabilities	4,048,015	28,307,506	5,257,524	2,612,383	-	40,225,428
Total liabilities						40,225,428
Capital expenditure	1,497,181	225,637	96,238	34,806	-	1,853,862
Depreciation and amortisation	1,865,546	188,391	28,611	58,507	-	2,141,055
Non cash expenses other than depreciation and amortisation	10,056	-	-	68,730	-	78,786
2002	Chalet and Golf management RM	Property development RM	Property construction RM	Others RM	Eliminations RM	Total RM
Revenue						
External	8,596,236	22,438,311	9,985,919	1,063,152	-	42,083,618
Inter-segment	-	-	14,832,394	231,552	(15,063,946)	-
Total revenue	8,596,236	22,438,311	24,818,313	1,294,704	(15,063,946)	42,083,618
Results						
Profit before taxation	1,027,681	1,527,171	480,018	503,840	-	3,538,710
Share of results of associated company	-	-	-	-	-	-
Consolidated profit before taxation						3,538,710
Taxation						(349,364)
Profit after taxation						3,189,346
Minority interests						-
Net profit for the financial year						3,189,346



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. SEGMENTAL REPORTING (CONTINUED)

2002	Chalet and Golf management RM	Property development RM	Property construction RM	Others RM	Eliminations RM	Total RM
Other information						
Segment assets	73,988,974	134,248,578	2,048,436	26,297,948	-	236,583,936
Investment in an associated company	-	30,000	-	-	-	30,000
Total assets						236,613,936
Segment liabilities	4,392,507	31,082,027	4,671,213	3,010,165	-	43,155,912
Total liabilities						43,155,912
Capital expenditure	2,087,447	172,273	6,840	15,800	-	2,282,360
Depreciation and amortisation	1,660,974	195,615	35,993	61,214	-	1,953,796
Non cash expenses other than depreciation and amortisation	158,417	1,601	-	-	-	160,018

The Group operates predominantly in Malaysia and accordingly, no geographical segment is presented.

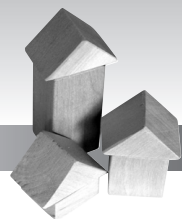
The terms, conditions and prices of the inter-segment transactions are on arms length basis.

37. FINANCIAL INSTRUMENTS

(a) Interest rate risk

The table below summarises the carrying amount of the Group's financial assets and liabilities, categorised by their maturity dates, which represent the Group's exposure to interest rate risk:

	Not later than 1 year RM	1 to 5 years RM	Later than 5 years RM	Total RM	Effective interest rates during the financial year RM
Financial assets					
Fixed deposits	954,193	-	-	954,193	4.04%
Financial liabilities					
Bank overdraft	162,641	-	-	162,641	7.90%
Term loans	1,194,805	13,974,715	804,422	15,973,942	8.36%
	1,357,446	13,974,715	804,422	16,136,583	



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk

As at 28 February 2003, the Group has trade receivables of RM166,913 which have been outstanding for more than 1 year. Concentration of credit risk with respect to trade receivables of property buyers are limited by withholding legal ownership before the full consideration is received. The Group's historical experience in the collection of trade receivables from tenants falls within the recorded allowances. Due to these factors, the management believes that no additional credit risk beyond amounts provided for doubtful debts is inherent in the Group's trade receivables.

As at 28 February 2003, the Group has a placement of RM954,193 in fixed deposits with some major licensed banks in Malaysia. Other than as mentioned, the Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheets.

(c) Fair values

The carrying amounts of the financial assets and liabilities of the Group and the Company as at 28 February 2003 approximate their fair value.

38. NUMBER OF EMPLOYEES AND STAFF COSTS

The number of employees of the Group and of the Company, including executive directors, at the end of the financial year are as follows:

	Number of employees			
	2003	Group 2002	2003	Company 2002
Operations	239	256	-	-
Sales, marketing and distribution	19	15	-	-
Administration	48	43	2	2
	<u>306</u>	<u>314</u>	<u>2</u>	<u>2</u>

	Staff costs			
	2003 RM	Group 2002 RM	2003 RM	Company 2002 RM
Operations	3,477,390	2,793,423	-	-
Sales, marketing and distribution	367,029	327,084	-	-
Administration	2,265,226	1,934,751	186,000	160,186
	<u>6,109,645</u>	<u>5,055,258</u>	<u>186,000</u>	<u>160,186</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. EVENT SUBSEQUENT TO THE BALANCE SHEET

On 20 March 2003, Eupe Kemajuan Sdn. Bhd., a subsidiary company, entered into a conditional Sale and Purchase Agreement with Perbadanan Kemajuan Negeri Kedah ("PKNK") to acquire agricultural land measuring approximately 3,190 acres for a total purchase consideration of RM127.6 million on a staggered basis.

A deposit amounting to RM4,253,334 as disclosed in Note 15 had been paid and the balance shall be paid by instalments according to the purchase consideration of the individual plot of land before the expiration of one (1) year from the date the agreement is executed.

Vacant possession of each plot of land shall be delivered by PKNK upon full payment of the purchase consideration of the relevant plot.

The acquisition is conditional upon obtaining the approval of the shareholders of the Group and the relevant regulatory bodies.

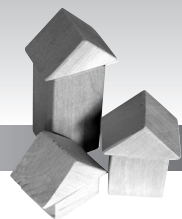
40. COMPARATIVE FIGURES

Certain comparative figures of the financial statements have been reclassified as follows to comply with MASB 20 - Provision, Contingent Liabilities and Contingent Assets and to conform with current year's presentation:

Group	Amount as previously reported RM	Reclassification RM	Amount as restated RM
Balance Sheet			
Trade payables	7,196,445	(1,859,770)	5,336,675
Provision for infrastructure cost	-	1,859,770	1,859,770
Income Statement			
Cost of sales	29,765,095	2,964,180	32,729,275
Other operating expenses	4,994,780	(2,964,180)	2,030,600

41. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 26 June 2003.



ANALYSIS OF SHAREHOLDINGS

As At 30 June 2003

Authorised Capital	: RM300,000,000.00
Issued and Fully Paid-up Capital	: RM128,000,000.00
Class of Shares	: Ordinary shares of RM1.00 each
Voting Rights	: One vote for each ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 JUNE 2003

Category by Size	Number of Shareholders		Number of Shares Held		Percentage of Issued Share capital	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 shares	0	0	0	0	0.000000	0.000000
100 to 1,000 shares	3,551	5	3,548,700	5,000	2.772422	0.003906
1,001 to 10,000 shares	2,619	15	10,427,451	90,000	8.146446	0.070313
10,001 to 100,000 shares	347	7	9,430,800	184,000	7.367812	0.143750
100,001 to less than 5% of issued shares	44	3	47,789,572	597,900	37.335603	0.467109
5% and above of issued shares	3	0	55,926,577	0	43.692638	0.000000
Total	6,564	30	127,123,100	876,900	99.314922	0.685078
Directors Shareholding	2	0	244,416	0	0.190950	0.000000

30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2003

No.	Name	Shares	Percentage
1	Betaj Holdings Sdn Bhd	26,388,781	20.6162352
2	Beh Heng Seong Sdn Bhd	22,876,208	17.8720375
3	Perbadanan Kemajuan Negeri Kedah	6,661,588	5.2043656
4	Teh Ah Yau Rubber Factory Sdn Bhd	4,318,729	3.3740070
5	Ahmad Zakiuddin Bin Harun	4,000,000	3.1250000
6	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Beh Huck Lee (511356)	3,500,000	2.7343750
7	Success Leads Sdn Bhd	2,781,794	2.1732766
8	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Liew Hock Lai (Memo)	2,700,000	2.1093750
9	Firm Alliance Sdn Bhd	2,622,538	2.0488578
10	Chan Wan Moi	2,529,000	1.9757813
11	Tham Sau Kien	2,166,000	1.6921875
12	Liew Hock Lai	2,113,000	1.6507813
13	Low Cheng Peng	1,979,000	1.5460938
14	Saw Tiang Aun	1,950,000	1.5234375



ANALYSIS OF SHAREHOLDINGS (CONTINUED)

30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2003 (CONTINUED)

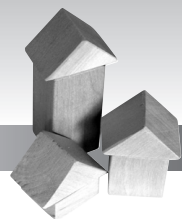
No.	Name	Shares	Percentage
15	Dato Tajudin Holdings Sdn Bhd	1,854,611	1.4489148
16	Khoo Chai Teik	1,583,000	1.2367187
17	Tan Hong Eng	1,313,000	1.0257812
18	Teh Ah Jim @ Teh Chai Jim	1,218,000	0.9515625
19	Amanah Raya Nominees (Tempatan) Sdn Bhd - Dana Johor	1,147,000	0.8960938
20	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for RCS Electronics Sdn Bhd (Memo)	1,056,538	0.8254203
21	Wong Chee Choon	959,000	0.7492187
22	HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Hong Eng (Memo)	952,000	0.7437500
23	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Dato Tajudin Holdings Sdn Bhd (4773 LERA)	736,600	0.5754688
24	HDM Nominees (Tempatan) Sdn Bhd	708,000	0.5531250
25	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Zaharudin B Zainol Rashid (0203)	675,746	0.5279266
26	Chuah Chew Hing	529,000	0.4132813
27	Elite Aluminium Panel Sdn Bhd	428,000	0.3343750
28	Lim See Leng	420,000	0.3281250
29	Kuo Ming-Sho	385,000	0.3007813
30	Teoh Tian Wen	308,000	0.2406250
		<u>100,860,133</u>	<u>78.7969789</u>

LIST OF SUBSTANTIAL SHAREHOLDERS (5%) AS AT 30 JUNE 2003

No.	Name	Shares	Percentage
1	Betaj Holdings Sdn Bhd	26,388,781	20.6162352
2	Beh Heng Seong Sdn Bhd	22,876,208	17.8720375
3	Perbadanan Kemajuan Negeri Kedah	6,661,588	5.2043656

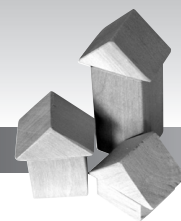
LIST OF DIRECTORS AS AT 30 JUNE 2003

No.	Name	Shares	Percentage
1	Tan Hiang Joo	10,000	0.0078125
2	Teoh Choon Boay	234,416	0.1831375
	Grand Total	244,416	0.1909500



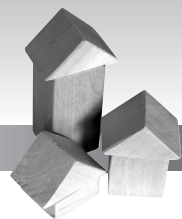
LIST OF PROPERTIES HELD

Description	Tenure & Age	Land Area	Total Built-up (sq.m)	Net Book Value (RM)
PT. 20439, H.S.(M) 569/92 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort Sungai Petani, Kedah (Vacant condominium site)	Freehold	4.01 acres 174,885 sq.ft.: 16,247 sq.m.)	-	2,620,000
PT. 13453, H.S.(M) 2974/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah (Vacant commercial complex site)	Freehold	3.35 acres (146,130 sq.ft. : 13,575 sq.m.)	-	4,400,000
PT. 13454 to P.T.13456 H.S.(M) 2975/1989 to H.S.(M) 2977/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah (3 vacant commercial lands)	Freehold	2.19 acres (95,453 sq.ft. : 8,868 sq.m.)	-	2,200,000
PT. 10713 to P.T. 10793 H.S.(M) 797/89 to H.S.(M) 877/89 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah (81 freehold vacant commercial plots)	Freehold	3.18 acres (138,643 sq.ft. : 12,880 sq.m.)	-	4,660,000
PT. 15777 to P.T. 15793 H.S.(M) 5298/1989 to H.S.(M) 5314/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah (17 vacant detached plots)	Freehold	3.11 acres 135,539 sq.ft. : 12,592 sq.m.)	-	868,000
Lots 190, 2795, 3034 to 3036 and 333 SP 3268, SPB 64731, SPK 8705 to SPK 8707 and SPK 8434 Mukim of Sungai Petani, District of Kuala Muda Located within Kpg Rusa, along Jln Bakar Sampah, Sungai Petani, Kedah (6 plots of freehold land currently under development)	Freehold	220.47 acres (8,732,473 sq.ft. : 811,247 sq.m.)	-	9,372,906
Lots 2789, 2794, 2796, 2797, 2800, 2801, 3003, 3004, 3630, 3631, 5503, 5504 and 5505 Mukim of Sungai Petani, District of Kuala Muda Located next to Tmn Kelisa Ria and Aman Jaya (13 parcels of approved development land)	Freehold	219.39 acres (9,556,786 sq.ft. : 888,177 sq.m.)	-	28,366,524
PT. 71108 to P.T. 71128 H.S.(M) 2972 to H.S.(M) 2990 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah (17 vacant industrial lots & 2 sub-station lots)	Freehold	10.78 acres (469,716 sq.ft. : 43,638 sq.m.)	-	1,030,165



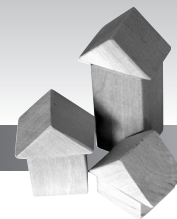
LIST OF PROPERTIES HELD (CONTINUED)

Description	Tenure & Age	Land Area	Total Built-up (sq.m)	Net Book Value (RM)
PT. 17698 and PT. 17699 H.S.(D)1073/90 and H.S.(D) 1074/90 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah (Golf and Country Resort)	15 years Leasehold for 60 years expiring 31/7/2051	190.88 acres (8,314,733 sq.ft. : 772,438 sq.m.)	7,402.64	34,855,220
PT. 10398 and PT. 10422 H.S.(D) 486/89 to H.S.(D) 510/89 PT. 10447 to P.T. 10457 H.S.(M) 535/1989 to H.S.(M) 545/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Hotel, Persiaran Cinta Sayang, Sungai Petani, Kedah (218 rooms within Cinta Sayang Hotel)	8 to 15 years Freehold	8.62 acres (375,487 sq.ft. : 34,897 sq.m.)	10,768.4	24,042,965
PT. 05925 to P.T. 05944 H.S.(M) 278/1986 to H.S.(M) 297/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah (2 rows of 56 stalls within Pasar Taman Ria)	15 years Freehold	0.70 acres (30,574 sq.ft. : 2,840 sq.m.)	1,471.54	2,587,000
PT. 05945 to P.T. 05954 H.S.(M) 298/1986 to H.S.(M) 307/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah (Single storey plaza known as Ria Plaza)	15 years Freehold	0.37 acres (16,307 sq.ft. : 1,515 sq.m.)	1,235.57	1,290,000
PT. 05916 to P.T. 05924 H.S.(M) 269/1986 to H.S.(M) 277/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah (9 contiguous shoplots known as Ria Food Centre)	15 years Freehold	0.34 acres (14,995 sq.ft. : 1,393 sq.m.)	-	1,080,000
PT. 09297, H.S.(M) 2632/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah (Approved hotel site)	Freehold	1.80 acres (78,468 sq.ft. : 7,290 sq.m.)	-	4,014,081
PT. 21648, H.S.(M) 3/94 Mukim of Sungai Petani, District of Kuala Muda Located along the eastern side of Jln Badlishah, Sungai Petani, Kedah (Freehold commercial land erected with a 6-storey building known as Wisma Ria)	7 years Freehold	1.67 acres (72,642 sq.ft. : 6,748 sq.m.)	-	13,680,000



LIST OF PROPERTIES HELD (CONTINUED)

Description	Tenure & Age	Land Area	Total Built-up (sq.m)	Net Book Value (RM)
PT. 21646, H.S.(M) 1/94 Mukim of Sungai Petani, District of Kuala Muda Located along the eastern side of Jln Badlishah, within Taman Ria, Sungai Petani, Kedah (Vacant plot of freehold commercial land)	Freehold	1.08 acres (47,207 sq.ft. : 4,386 sq.m.)	-	2,367,174
Lots 63, 65, 741 and 743, SP 27493, SP 27495, SP 30052, SPB 62192 Mukim of Gurun, District of Kuala Muda Located along the southern side of Gurun/Jeniang Main road, about 7 kilometres east of Gurun, Kedah (4 plots of freehold development land)	Freehold	294.00 acres (12,806,640 sq.ft. : 1,189,777 sq.m.)	-	22,038,325
PT. 30395 to P.T. 30403, P.T. 30406 to P.T. 30407 H.S.(M) 443/95 to H.S.(M) 451/95 H.S.(M) 454/95 to H.S.(M) 455/95 Mukim of Sungai Petani, District of Kuala Muda Within Kawasan Perusahaan Ringan Bkt Makmur (9 vacant industrial lots, 1 stall lot & 1 sub-station lot)	Freehold	21.62 acres (941,901 sq.ft. : 87,506 sq.m.)	-	3,870,807
Lot 67, P.T. 6932, H.S.(M) 697 Mukim of Bukit Katil, District of Melaka Tengah, Melaka (1 vacant industrial lot)	5 years Leasehold for 99 yrs expiring 29.3.2097	1.10 acres (47,803 sq.ft. : 4,441 sq.m.)	-	437,388
PT. 15797 to P.T.15813 H.S.(D) 5318/1989 to H.S.(D) 5334/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah (17 vacant detached plots)	Freehold	7.45 acres (324,618 sq.ft. : 30,157 sq.m.)	-	1,609,000
149 development lots within P.T. 211 to P.T. 1694 H.S.(D) 48/89 to H.S.(D) 1514/89 Mukim of Naga Lilit, District of Kulim Located within Taman Ria, Padang Serai, Kedah (149 lots for mixed development)	Freehold	14.36 acres (625,713 sq.ft. : 58,131 sq.m.)	-	2,995,877
207 development lots within P.T. 234 to P.T. 1695 H.S.(D) 71/89 to H.S.(D) 1515/89 Mukim of Naga Lilit, District of Kulim Located within Taman Ria, Padang Serai, Kedah (207 lots for mixed development)	Freehold	13.05 acres (568,257 sq.ft. : 52,793 sq.m.)	-	6,636,165
Lots 3329 and 3330, GM 4442 and GM 4443 Mukim of Sungai Petani, District of Kuala Muda Located within Chengai (2 contiguous parcels of agriculture land)	Freehold	47.86 acres (2,084,782 sq.ft. : 193,683 sq.m.)	-	3,907,729



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of EUPE CORPORATION BERHAD will be held at Garuda I, Cinta Sayang Golf and Country Club, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on Monday, the 25th day of August, 2003 at 10.30 a.m. for the following purposes:

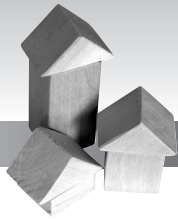
A G E N D A

- | | | |
|---|--|------------------------------|
| 1 | To receive and adopt the Audited Financial Statements for the year ended 28th February 2003 together with the Report of the Directors and Auditors thereon. | Resolution 1 |
| 2 | To re-elect the following Directors who retire by rotation in accordance with the Company's Articles of Association:
2.1 Dato' Tajudin Bin Haji Hashim
2.2 Mr Tan Hiang Joo | Resolution 2
Resolution 3 |
| 3 | To consider and if thought fit, pass the following Resolution in accordance with Section 129 of the Companies Act, 1965:

"That Dato' Paduka Haji Radzi Bin Haji Bassir, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting." | Resolution 4 |
| 4 | To re-appoint Messrs BDO Binder as Auditors and to authorise the Directors to fix their remuneration. | Resolution 5 |
| 5 | To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
As Special Business:

Authority to issue and allot shares

"That, subject to the approvals of the relevant authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to allot and issue new ordinary shares of RM1.00 each in the Company at any time and upon such terms and conditions and for such purposes as the Directors, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting." | Resolution 6 |
| 6 | To transact any other business for which due notice has been given. | |



NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

BY ORDER OF THE BOARD

NG BEE LIAN [MAICSA 7041392]
LIM HOOI MOOI [MAICSA 0799764]
Company Secretaries

Kuala Lumpur
Date: 28 July 2003

Explanatory Notes to Special Business:

Your Board would like to act expeditiously on opportunities to expand your Group's business, if and when they arise. The proposed resolution No. 6, if passed, is to authorise the Directors to issue up to 10% of the paid-up capital of the Company. This is to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if his appointor is a corporation, either under seal or under the hands of an officer or attorney duly authorised.
2. The instrument appointing a proxy must be deposited at the Company's Registered Office, 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman not less than 48 hours before the time for holding the Meeting or any adjournment thereof.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Notice Of Seventh Annual General Meeting Of Eupe Corporation Berhad

1. The name of individuals who are standing for election or re-election:

Dato' Tajudin Bin Haji Hashim
Mr Tan Hiang Joo
Dato' Paduka Haji Radzi Bin Haji Bassir

2. The details of attendance of existing Directors at Board meetings.

During the financial period, five Board meetings were held. Attendance details are as follows:

Name	Attendance
Dato' Paduka Haji Radzi Bin Haji Bassir	5/5
Dato' Tajudin Bin Haji Hashim	5/5
Dato' Jaafar Bin Jamaludin	5/5
Datin Teoh Choon Boay	5/5
Beh Huck Lee	5/5
Mohamad Rizal Bin Tajudin	5/5
Tan Hiang Joo	5/5
Kek Jenny	5/5

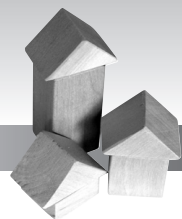
3. Annual General Meeting of Eupe Corporation Berhad

Place : Garuda I, Cinta Sayang Golf and Country Club, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman

Date & Time : 25th August 2003 at 10.30 a.m.

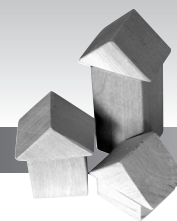
4. Further details of the individuals who are standing for election or re-election:

A Name : Dato' Tajudin Bin Haji Hashim
Age : 63 years old
Nationality : Malaysian
Qualification : Holds a Bachelor of Arts Degree from the University of Malaya and a Certificate of Public Administration from the University of Manchester.
Position in the Company : Executive Chairman
Date of Appointment to the Board : 19th May 1997



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

A	Working Experience and Occupation	: Has held the posts of District Officer in Kuala Nerang, Kubang Pasu and Kuala Muda (1971-1976), Deputy Director of Land, Kedah (1976), and Deputy State Secretary, Kedah (1976-1978). Currently sits as the National Council Member of the Real Estate Housing Developers' Association, Malaysia and Chairman of the Real Estate Housing Developers' Association Malaysia (Kedah/ Perlis Branch).		
	Other directorships of public Companies	: None		
	Securities holdings in the Company and its Subsidiaries	: Securities Holding Ordinary shares of RM1.00 each	No. of Shares 31,243,392 (indirect)	Percentage 24.409%
	Family relationship with any Director and / or major Shareholder of the Company	: Father of Mohamed Rizal Bin Tajudin		
	Conflict of interest with the Company	: None		
	Convictions for Offences within the past 10 years other than traffic Offences	: None		
	Details of attendance at Board Meetings	: 5/5		
B	Name	: Tan Hiang Joo		
	Age	: 39 years old		
	Nationality	: Malaysian		
	Qualification	: Holds a law degree (LLB (Hons)) from the University of Malaya and is an advocate and solicitor with the High Court of Malaya.		
	Position in the Company	: Independent Non-Executive Director		
	Date of Appointment to the Board	: 19th May 1997		
	Working Experience and Occupation	: An advocate and solicitor with the High Court of Malaya. Has been in practice since 1989 and is a partner of Syarikat Ng & Anuar.		
	Other directorships of public Companies	: None		
	Securities holdings in the Company and its Subsidiaries	: Securities Holding Ordinary shares of RM1.00 each	No. of Shares 10,000.00 (direct)	Percentage 0.00781%
	Family relationship with any Director and / or major Shareholder of the Company	: None		
	Conflict of interest with the Company	: None		
	Convictions for Offences within the past 10 years other than traffic Offences	: None		
	Details of attendance at Board Meetings	: 5/5		



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

C	Name	: Dato' Paduka Haji Radzi Bin Haji Bassir		
	Age	: 71 years old		
	Nationality	: Malaysian		
	Qualification	: Bachelor of Arts (Honours), University of London.		
	Position in the Company	: Independent Non-Executive Director		
	Date of Appointment to the Board	: 28th February 1997		
	Working Experience and Occupation	: Served the Kedah State Government from 1953 to 1987 when he retired after serving as State Secretary of Kedah since 1976. Other posts held include State Liaison Officer; President of Town Council, Sungai Petani; District Officer of Padang Terap, Langkawi and Kota Setar as well as State Treasurer and General Manager of the Kedah State Economic Development Corporation (1972-1976). Committee Member of the Malaysian Industrial Development Authority (MIDA), Muda Agricultural Development Authority (MADA) and Pilgrim Management Advisory Council.		
	Other directorships of public Companies	: None		
	Securities holdings in the Company and its Subsidiaries	Securities Holding	No. of Shares	Percentage
		-	-	-
	Family relationship with any Director and / or major Shareholder of the Company	: None		
	Conflict of interest with the Company	: None		
	Convictions for Offences within the past 10 years other than traffic Offences	: None		
	Details of attendance at Board Meetings	: 5/5		

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PROXY FORM

No. of Shares held

I/We, _____ NRIC No. _____ of _____

being a member / members of the abovenamed Company, hereby appoint _____

NRIC No. _____ of _____

or failing him, the Chairman of the meeting as my/our proxy to vote for me / us on my / our behalf at the Seventh Annual General Meeting of the Company to be held at Garuda I, Cinta Sayang Golf and Country Club, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on 25th August 2003 at 10.30 a.m. and at any adjournment thereof in the manner indicated below:

NO	RESOLUTION		FOR	AGAINST
1.	To receive and adopt the audited Financial Statements for the year ended 28th February 2003 together with the Report of the Directors and Auditors thereon.	Resolution 1		
2.	To re-elect the retiring Director, Dato' Tajudin Bin Haji Hashim pursuant to the Company's Articles of Association.	Resolution 2		
3.	To re-elect the retiring Director, Mr Tan Hiang Joo pursuant to the Company's Articles of Association.	Resolution 3		
4.	To re-appoint Dato' Paduka Haji Radzi bin Haji Bassir as Director pursuant to Section 129 of the Companies Act, 1965.	Resolution 4		
5.	To re-appoint Messrs BDO Binder as Auditors of the Company.	Resolution 5		
6.	To empower the Directors to issue up to 10% of the issued share capital of the Company.	Resolution 6		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his / her discretion).

Date _____ day of _____ 2003

Signature of Shareholder or Common Seal

Note:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if his appointor is a corporation, either under seal or under the hands of an officer or attorney duly authorised.
2. The instrument appointing a proxy must be deposited at the Company's Registered Office, 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

Affix
Stamp

The Company Secretary
EUPE CORPORATION BERHAD (377762-V)
5th floor
Wisma Ria, Taman Ria
08000 Sungai Petani
Kedah Darul Aman, Malaysia