

**EUPE CORPORATION BERHAD**

(Company No.: 377762-V)

PART A2 : SUMMARY OF KEY FINANCIAL INFORMATION**SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016**

	3 Months Ended		6 Months Ended	
	Current Quarter 31 AUG 2016 RM '000	Corresponding Quarter 31 AUG 2015 RM '000	Current Year to date 31 AUG 2016 RM '000	Corresponding Year to date 31 AUG 2015 RM '000
1. Revenue	38,968	22,238	76,612	58,453
2. Profit before tax	3,859	1,111	5,897	2,680
3. Profit for the period	740	1,035	1,557	1,764
4. Profit/(Loss) attributable to ordinary equity holders of the company	(544)	1,063	(281)	1,838
5. Basic earnings/(loss) per shares (sen)	(0.43)	0.83	(0.22)	1.44
6. Proposed/declared dividend per share (sen)	0.00	0.00	0.00	0.00

	AS AT END OF CURRENT QUARTER	AS AT PRECEEDING FINANCIAL PERIOD END
7. Net assets per share attributable to ordinary equity holders of the parent (RM)	2.25	2.25



UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

for the financial period ended 31 August 2016

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	CURRENT QUARTER 31/08/2016 RM'000	CORRESPONDING QUARTER 31/08/2015 RM'000	CURRENT YEAR TO DATE 31/08/2016 RM'000	CORRESPONDING YEAR TO DATE 31/08/2015 RM'000
REVENUE	38,968	22,238	76,612	58,453
COST OF SALES	(26,909)	(16,323)	(54,735)	(47,013)
GROSS PROFIT	12,059	5,915	21,877	11,440
OTHER OPERATING INCOME	660	400	1,198	630
MARKETING AND DISTRIBUTION COSTS	(2,537)	(922)	(5,170)	(1,693)
ADMINISTRATION EXPENSES	(4,527)	(2,571)	(8,819)	(4,877)
OTHER OPERATING EXPENSES	(1,278)	(1,352)	(2,289)	(2,161)
FINANCE COSTS	(518)	(359)	(900)	(659)
SHARE OF RESULT IN JOINT VENTURES	-	-	-	-
PROFIT BEFORE TAX	3,859	1,111	5,897	2,680
TAX EXPENSE	(3,119)	(76)	(4,340)	(916)
PROFIT FOR THE PERIOD	740	1,035	1,557	1,764
PROFIT/(LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	(544)	1,063	(281)	1,838
NON-CONTROLLING INTERESTS	1,284	(28)	1,838	(74)
	740	1,035	1,557	1,764
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:				
BASIC EARNINGS PER SHARE (SEN)	(0.43)	0.83	(0.22)	1.44
DILUTED EARNINGS PER SHARE (SEN)	(0.43)	0.83	(0.22)	1.44

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 and the accompanying explanatory notes attached to the financial statements.)

**EUPE CORPORATION BERHAD**

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**for the financial period ended 31 August 2016**

(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	CURRENT QUARTER	CORRESPONDING QUARTER	CURRENT YEAR TO DATE	CORRESPONDING YEAR TO DATE
	31/08/2016 RM'000	31/08/2015 RM'000	31/08/2016 RM'000	31/08/2015 RM'000
PROFIT FOR THE PERIOD	740	1,035	1,557	1,764
OTHER COMPREHENSIVE INCOME				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
UNREALISED LOSS ON FOREIGN EXCHANGE	-	(81)	-	(136)
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	123	-	(7)	(8)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>123</u>	<u>(81)</u>	<u>(7)</u>	<u>(144)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>863</u></u>	<u><u>954</u></u>	<u><u>1,550</u></u>	<u><u>1,620</u></u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE COMPANY	(458)	982	(305)	1,694
NON-CONTROLLING INTERESTS	1,321	(28)	1,855	(74)
	<u><u>863</u></u>	<u><u>954</u></u>	<u><u>1,550</u></u>	<u><u>1,620</u></u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 and the accompanying explanatory notes attached to the financial statements.)

**EUPE CORPORATION BERHAD**

(Company No.: 377762-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
as at 31 August 2016**

(The figures have not been audited)

	AS AT 31/08/2016 RM'000	AS AT 29/02/2016 RM'000
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	70,365	71,993
Other investments	7	7
Land held for property development	182,610	123,602
Investment properties	33,327	33,327
Investments in joint ventures	3,010	3,018
Deferred tax assets	1,021	1,021
	<u>290,340</u>	<u>232,968</u>
CURRENT ASSETS		
Property development costs	180,079	165,609
Inventories	14,293	13,303
Trade and other receivables	91,939	74,434
Sinking funds	936	213
Tax recoverables	1,233	1,152
Cash and bank balances	27,312	38,394
	<u>315,792</u>	<u>293,105</u>
TOTAL ASSETS	<u><u>606,132</u></u>	<u><u>526,073</u></u>
<u>EQUITY AND LIABILITIES</u>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	128,000	128,000
Reserves	159,850	160,155
	<u>287,850</u>	<u>288,155</u>
NON-CONTROLLING INTERESTS	6,969	5,114
Total equity	<u>294,819</u>	<u>293,269</u>
NON-CURRENT LIABILITIES		
Borrowings	124,541	67,398
Deferred tax liabilities	14,054	14,075
	<u>138,595</u>	<u>81,473</u>
CURRENT LIABILITIES		
Progress Billings	78,706	61,974
Trade and other payables	45,725	57,652
Provision for infrastructure & renovation cost	3,420	3,357
Borrowings	40,950	27,520
Current tax liabilities	3,917	828
	<u>172,718</u>	<u>151,331</u>
TOTAL EQUITY AND LIABILITIES	<u><u>606,132</u></u>	<u><u>526,073</u></u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)		
	<u>2.25</u>	<u>2.25</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 and the accompanying explanatory notes attached to the financial Statements)

**EUPE CORPORATION BERHAD***(Company No.: 377762-V)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****for the financial period ended 31 August 2016***(The figures have not been audited)*

	----- ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY -----					NON- CONTROLLING INTERESTS	TOTAL EQUITY
	---- Non-Distributable ----			Distributable			
	Share capital RM'000	Share premium RM'000	Translation reserve RM'000	Retained profits RM'000	Sub-total RM'000	RM'000	RM'000
Balance as at 1 March 2016	128,000	5,982	63	154,110	288,155	5,114	293,269
Total comprehensive income	-	-	(24)	(281)	(305)	1,855	1,550
Balance as at 31 August 2016	<u>128,000</u>	<u>5,982</u>	<u>39</u>	<u>153,829</u>	<u>287,850</u>	<u>6,969</u>	<u>294,819</u>
Balance as at 1 March 2015	128,000	5,982	(17)	150,204	284,169	4,965	289,134
Additional minority interest' shares in subsidiary companies	-	-	-	-	-	447	447
Total comprehensive income	-	-	(8)	1,702	1,694	(74)	1,620
Balance as at 31 August 2015	<u>128,000</u>	<u>5,982</u>	<u>(25)</u>	<u>151,906</u>	<u>285,863</u>	<u>5,338</u>	<u>291,201</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 and the accompanying explanatory notes attached to the financial statement)

**EUPE CORPORATION BERHAD**

(Company No.: 377762-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial period ended 31 August 2016**

(The figures have not been audited)

	6 MONTHS ENDED	
	31/08/2016	31/08/2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	84,781	69,077
Cash payments to suppliers and creditors	(81,880)	(55,256)
Cash payments to employees and for expenses	(15,034)	(12,672)
Cash (used in)/from operations	<u>(12,133)</u>	<u>1,149</u>
Interest expenses - overdraft	(145)	(43)
Rental income received	312	153
Deposit paid	(876)	(209)
Insurance compensation received	251	-
Tax paid	(1,352)	(2,052)
Net cash used in operating activities	<u>(13,943)</u>	<u>(1,002)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	448	185
Purchase of leasehold land	(65,373)	-
Purchase of property, plant and equipment	(724)	(861)
Proceed from disposal of property, plant and equipment	295	21
Subsequent expenditure on investment properties	-	(174)
Other investment	-	990
Fixed deposits released from pledge/(pledge to licensed bank)	(147)	358
Net cash (used in)/from investing activities	<u>(65,501)</u>	<u>519</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	-	447
Drawdown of revolving credit	16,000	1,500
Drawdown of term loan	61,875	4,300
Net creation of bankers' acceptance	98	1,135
Repayment of revolving credit	(2,000)	-
Repayment of term loan	(6,603)	(6,383)
Repayment of hire purchase loan	(327)	(281)
Term loan interest paid	(1,834)	(728)
Revolving credit interest paid	(323)	(213)
Discount paid on bankers' acceptance	(137)	(83)
Hire purchase interest paid	(60)	(58)
Net cash from/(used in) financing activities	<u>66,689</u>	<u>(364)</u>
Net decrease in cash and cash equivalents	<u>(12,755)</u>	<u>(847)</u>
Effect of exchange rate changes	(4)	(9)
Cash and cash equivalents at beginning of financial period	34,300	12,683
Cash and cash equivalents at end of financial period	<u><u>21,541</u></u>	<u><u>11,827</u></u>
Cash and cash equivalents at end of financial period comprise the following :		
Cash and bank balances	16,594	11,968
Fixed deposits with licensed banks	10,718	3,537
Bank overdraft	(3,826)	(2,328)
	<u>23,486</u>	<u>13,177</u>
Less: Deposits pledged as collateral	(1,945)	(1,350)
	<u><u>21,541</u></u>	<u><u>11,827</u></u>

(The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Statements for the year ended 29 February 2016 and the accompanying explanatory notes attached to the financial Statements.)



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 29 February 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 29 February 2016.

A2 Accounting Policies

The accounting policies, methods of computation & basis of consolidation adopted by the Group in the unaudited condensed interim financial statements are consistent with the audited financial statements for the year ended 29 February 2016 except for the adoption of the following new/revised Financial Reporting Standards (FRS), Amendments to FRSs and Interpretations as follows:

FRSs, Amendments to FRSs and Interpretations effective for annual periods beginning on or after 1 January 2016

- FRS 14 Regulatory Deferral Accounts
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in Method of Disposal (Annual Improvements 2012-2014 Cycle)
- Amendments to FRS 7 Financial Instruments: Disclosures - Servicing Contracts and Applicability of the Amendments to FRS 7 to Condensed Interim Financial Statements (Annual Improvements 2012-2014 Cycle)
- Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 128 Investment in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 101 Presentation of Financial Statements - Disclosure Initiative
- Amendments to FRS 116 Property, Plant and Equipment and FRS 138 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 119 Employee Benefits - Discount Rates: Regional Market Issue (Annual Improvements 2012-2014 Cycle)
- Amendments to FRS 127 Separate Financial Statements - Equity Method in Separate Financial Statements
- Amendments to FRS 134 Interim Financial Reporting - Disclosure of Information 'Elsewhere in the Interim Financial Report' (Annual Improvements 2012-2014 Cycle)

The adoptions of the above FRSs, Amendments to FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group.



Malaysian Financial Reporting Standards (MFRS Framework)

The Group and the Company fall under the Transitioning Entities provision granted by the MASB because it is within the scope of IC 15 Agreements for the Construction of Real Estate and FRS 141 Agriculture. On 28 October 2015, the MASB announced that all transitioning entities shall comply with Malaysian Financial Reporting Standards (MFRSs) for annual period beginning on or after 1 January 2018, thus the Group and the Company will adopt the MFRS Framework for annual period beginning on or after 1 March 2018.

The Group has continued to prepare these financial statements for annual period beginning on 1 March 2016 in accordance with the FRSs issued by the MASB.

A3 Reports of the Auditor

The audited reports for the financial year ended 29 February 2016 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

A5 Exceptional or Unusual Items

There were no material unusual items affecting the amounts reported for the current financial period.

A6 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current financial period.

A7 Debt and Equity Securities

There was no other issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the current financial period.

A8 Dividend Paid

There was no dividend was paid in current financial period under review.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

A9 Segmental Reporting

For 6 months ended 31 August 2016:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	64,709	41,890	4,327	1,338	112,264
Inter-segment	-	(35,427)	-	(225)	(35,652)
	<u>64,709</u>	<u>6,463</u>	<u>4,327</u>	<u>1,113</u>	<u>76,612</u>
Segment Results	<u>9,782</u>	<u>183</u>	<u>(3,455)</u>	<u>(161)</u>	<u>6,349</u>
Interest income					448
Finance costs					(900)
Profit before taxation					<u>5,897</u>
Taxation					(4,340)
Profit for the period					<u>1,557</u>

For 6 months ended 31 August 2015:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	40,331	43,472	6,176	1,474	91,453
Inter-segment	-	(32,556)	-	(444)	(33,000)
	<u>40,331</u>	<u>10,916</u>	<u>6,176</u>	<u>1,030</u>	<u>58,453</u>
Segment Results	<u>4,108</u>	<u>717</u>	<u>(1,147)</u>	<u>(524)</u>	<u>3,154</u>
Interest income					185
Finance costs					(659)
Profit before taxation					<u>2,680</u>
Taxation					(916)
Profit for the period					<u>1,764</u>

A10 Valuation of Property, Plant & Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the investment properties since the last balance sheet date.

A11 Material Events

There were no material events subsequent to the end of the current quarter.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

A12 Changes in Composition of the Group

There were no material changes in the composition of the Group during the financial period.

A13 Contingent Liabilities and Assets

Details of contingent liabilities of the Group as at the date of issue of the report are as follows:

	31.08.2016	29.02.2016
	RM'000	RM'000
Guarantees given issued by the Company for banking facilities granted to subsidiaries	171,697	100,382
Guarantees given to third parties in respect of trade performance	148	520
	<u>171,845</u>	<u>100,902</u>

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

A14 Capital commitments

The capital commitments not provided for in the interim financial report as at 31 August 2016 is as follows:

	RM'000
Land held for property development: - Approved & contracted	<u>19,262</u>



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

B Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1 Review of Performance

Revenue	Individual Quarter 3 months ended			Cumulative Quarter 6 months ended		
	31/08/16 RM'000	31/08/15 RM'000	Variance RM'000	31/08/16 RM'000	31/08/15 RM'000	Variance RM'000
Property Development	33,749	14,346	19,403	64,709	40,331	24,378
Property Construction	2,855	4,387	(1,532)	6,463	10,916	(4,453)
Chalet & Golf Management	1,817	2,960	(1,143)	4,327	6,176	(1,849)
Others	547	545	2	1,113	1,030	83
Total	38,968	22,238	16,730	76,612	58,453	18,159

Profit/(loss) before tax	Individual Quarter 3 months ended			Cumulative Quarter 6 months ended		
	31/05/16 RM'000	31/05/15 RM'000	Variance RM'000	31/05/16 RM'000	31/05/15 RM'000	Variance RM'000
Property Development	6,187	2,010	4,177	9,762	4,057	5,705
Property Construction	(155)	21	(176)	(6)	418	(424)
Chalet & Golf Management	(2,104)	(675)	(1,429)	(3,602)	(1,210)	(2,392)
Others	(69)	(245)	176	(257)	(585)	328
Total	3,859	1,111	2,748	5,897	2,680	3,217

The Group registered higher revenue in the current quarter and current financial period by RM16.730 million and RM18.159 million respectively, compared to corresponding quarter and corresponding financial period. Consequently, the Group had also achieved a higher profit before tax in the current quarter and current financial period by RM2.748 million and RM3.217 million respectively, compared to corresponding quarter and corresponding financial period. The overall improvement of revenue and profit before tax was mainly contributed by the property development division. However, this improvement was partially offset by a fall of revenue and profit before tax posted in property construction division and chalet & golf management division.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

Property Development Division

Contribution of revenue from the property development division has significantly improved as compared to prior year's corresponding quarter and corresponding financial period, with the division recording an increase of RM19.403 million and of RM24.378 respectively. The overall improvement was mainly achieved on the back of solid sales from the Group's maiden residential development project in The Greater Kuala Lumpur, namely Novum@Bangsar South.

Improved revenue from the division was also partly contributed by the higher sales and work progress achieved for the development projects in Northern Malaysia, namely Cinta Sayang Resort Villas, Imory@Taman Kelisa Ria, Astana Parkhome-Parcel D and Puncak Surya 2.

However, this increase was partially offset by the drop of revenue contributed by other development projects, namely Puncak Surya 1, The Somerset and TRJ Factory which each recorded lower sales and work progress achieved compared to prior year's corresponding quarter and corresponding financial period.

Overall for the division, profit before tax increased at a slower pace compared to the increase in revenue, due to the ongoing marketing costs associated with the Novum@Bangsar South project.

Property Construction Division

Revenue contributed by the property construction division dropped in the current quarter and current financial period by RM1.532 million and RM4.453 million respectively. This was due to the sole current construction project being undertaken by the division, Alma Hill Park is approaching completion. The majority of revenue posted by the division was generated from the sales of building materials.

The decrease in revenue resulted in a marginal loss before tax for the division, as a result of higher administrative overheads compared to prior year's corresponding quarter and corresponding financial period.

Chalet & Golf Management Division

The overall fall of profit before tax in the current quarter and current financial period by RM1.429 million and RM2.392 million respectively were mainly due to the fall of revenue during the current quarter and current financial period by RM1.143 million and RM1.849 million respectively, compared to prior year's corresponding quarter and corresponding financial period.

The temporary closure of The Carnival waterpark and restaurants in Cinta Sayang Resort ("CSR") for major renovation lead to a significant decrease in room sales and sales from food & beverage as well as no revenue from The Carnival waterpark. The refurbishment works, required to reposition the business for higher-value markets are nearing completion with the revamped CSR scheduled to re-launch to the public in the 4th quarter of 2016.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

The fall of overall profit before tax in current quarter and current financial period were also reflected increased administrative expenses from additional management fees and staff costs associated with the contracting out of management arrangements for CSR to a specialised hotel management group.

Others

Revenue for the Group's other business was relatively in line with the results in prior year's corresponding quarter and corresponding financial period. The loss before tax in current quarter and current financial period have slightly improved by RM0.176 million and RM0.328 million respectively, compared to the result from the prior year's corresponding quarter and corresponding financial period.

B2 Material Changes in the Quarterly Results

In comparison with immediate preceding quarter, there is an improvement in current quarter's revenue (Q2FY2017: RM38.968 million; Q1FY2017: RM37.644 million) and profit before tax (Q2FY2017: RM3.859 million; Q1FY2017: RM2.038 million). The improved revenue and profit before tax were mainly contributed by the Group's property development division by RM2.789 million (Q2FY2017: RM33.749 million; Q1FY2017: RM30.960 million) and RM2.611 million (Q2FY2017: RM6.187 million; Q1FY2017: RM3.576 million) respectively.

The overall increase in revenue and profit before tax were offset by lower revenue and higher loss before tax reported in chalet & golf management division by RM0.693 million and RM0.606 million respectively, due to the temporary closure of The Carnival waterpark and restaurants in CSR. Overall revenue and profit increases for the Group were also partially offset by the decrease of revenue and profit before tax recorded in property construction division by RM0.753 million and RM0.304 million respectively.

B3 Prospects

Bank Negara Malaysia ("BNM") reported the Malaysian economy recorded lower growth of 4.0% in the second quarter of 2016, compared to 4.2% in previous quarter - an outcome still in line with the Malaysian economy forecasts of sustained growth between 4.0% to 4.5%. Domestic demand will continue to be the principal driver of economic growth. Recently, BNM announced to reduce the Overnight Policy Rate (OPR) from 3.25% to 3.00%, a sign that recent borrowing restrictions on home finance are easing, the reduction of 25 basis points is likely to have a positive impact to the property sector.

Despite a continuing growth path for the national economy, the outlook for the property industry remains challenging in the context of ongoing global economic uncertainty. Despite these short to medium term challenges, the Group remains focussed on ensuring it successfully executes its plan to develop and expand its pipeline of innovative, sought-after high-rise residential projects in The Greater Kuala Lumpur area while ensuring its property developments in the Group's established markets of Northern Malaysia attract consistent sales.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

B4 Profit Forecast

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

B5 Taxation

	Current Quarter 31.08.2016 RM'000	Period To-date 31.08.2016 RM'000
Current year taxation	3,131	4,361
Deferred taxation	(12)	(21)
	3,119	4,340

The effective tax rate for the financial period was higher than the statutory income tax rate in Malaysia due to the losses of certain subsidiaries that were not available for full set-off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

B6 Profit/(Loss) Before Taxation

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

	Current Quarter 31.08.2016 RM'000	Period To-date 31.08.2016 RM'000
Interest income	197	448
Interest expense	(518)	(900)
Other income	463	750
Depreciation and amortisation	(1,056)	(2,134)

B7 Status of Corporate Proposal

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

B8 Group Borrowings and Debt Securities

The Group borrowings & debts securities as at 31 August 2016 were as follows:

	Secured RM'000
Bank Overdrafts	6,826
Short Term Bank Borrowings	34,124
Long Term Bank Borrowings	124,541
	165,491

The Group has no borrowing and debt securities denominated in foreign currency.



EUPE CORPORATION BERHAD (377762-V)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2016

B9 Changes in Material Litigation

There were no material litigations, which would have a material adverse effect on the financial results for the current financial period.

B10 Realised and Unrealised Profits/Losses

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

	As at 31.08.2016 RM' 000	As at 31.08.2015 RM' 000
Total retained earnings of the Group:		
- Realised profits	166,862	166,248
- Unrealised losses	(13,033)	(14,342)
Total Group's retained profits as per consolidated accounts	153,829	151,906

B11 Dividend Proposed

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

B12 Earnings per share

The earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter 31.08.2016 RM	Period To-date 31.08.2016 RM
<u>Basic earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	(544)	(281)
Weighted average number of ordinary shares ('000)	128,000	128,000
Basic earnings per share (sen)	(0.43)	(0.22)
<u>Diluted earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	(544)	(281)
Weighted average number of ordinary shares ('000)	128,000	128,000
Diluted earnings per share (sen)	(0.43)	(0.22)