



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

		3 Months Ended		12 Months Ended	
		28.02.2017 RM '000	29.02.2016 RM '000	28.02.2017 RM '000	29.02.2016 RM '000
1.	Revenue	55,672	35,428	167,210	129,330
2.	(Loss) / Profit before tax	(4,475)	1,786	588	4,809
3.	(Loss) / Profit for the period	(4,526)	1,444	(4,135)	3,185
4.	(Loss) / Profit attributable to equity holders of the company	(4,398)	1,452	(7,389)	3,338
5.	Basic (loss) / earnings per shares (sen)	(3.44)	1.13	(5.77)	2.61
6.	Proposed/declared dividend per share (sen)	-	-	-	-

		AS AT 28.02.2017	AS AT 29.02.2016
7.	Net assets per share attributable to equity holders of the parent (RM)	2.20	2.25



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

	3 MONTHS ENDED		12 MONTHS ENDED	
	28.02.2017	29.02.2016	28.02.2017	29.02.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	55,672	35,428	167,210	129,330
Cost of Sales	(45,277)	(27,275)	(126,799)	(105,547)
Gross Profit	10,395	8,153	40,411	23,783
Other Operating Income	401	650	2,279	1,549
Marketing and Distribution Costs	(6,851)	(2,574)	(15,705)	(5,330)
Administrative Expenses	(6,504)	(3,020)	(19,535)	(9,694)
Other Operating Expenses	(1,310)	(1,167)	(4,834)	(4,114)
Finance Costs	(633)	(226)	(2,055)	(1,466)
Share of Results in Joint Venture	27	(30)	27	81
(Loss) / Profit Before Tax	(4,475)	1,786	588	4,809
Tax Expense	(51)	(342)	(4,723)	(1,624)
(Loss) / Profit for the Period / Year	(4,526)	1,444	(4,135)	3,185
(Loss) / Profit Attributable to:				
Equity Holders of the Company	(4,398)	1,452	(7,389)	3,338
Non-Controlling Interest	(128)	(8)	3,254	(153)
	(4,526)	1,444	(4,135)	3,185
Basic (Loss) / Earnings Per Share Attributable to Equity Holders of the Company (Sen)	(3.44)	1.13	(5.77)	2.61

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



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

	3 MONTHS ENDED		12 MONTHS ENDED	
	28.02.2017	29.02.2016	28.02.2017	29.02.2016
	RM'000	RM'000	RM'000	RM'000
(Loss) / Profit for the Period / Year	(4,526)	1,444	(4,135)	3,185
Other Comprehensive Income				
Item that may be subsequently reclassified to profit or loss:				
Unrealised Loss on Foreign Exchange	-	738	-	569
Foreign Currency Translation Differences for Foreign Operation	167	(23)	813	80
Other Comprehensive Income for the Period / Year	<u>167</u>	<u>715</u>	<u>813</u>	<u>649</u>
Total Comprehensive (Expenses) / Income for the Period / Year	<u>(4,359)</u>	<u>2,159</u>	<u>(3,322)</u>	<u>3,834</u>
Total Comprehensive (Expenses) / Income Attributable to:				
Equity Holders of the Company	(4,281)	2,167	(6,839)	3,987
Non-Controlling Interest	(78)	(8)	3,517	(153)
	<u>(4,359)</u>	<u>2,159</u>	<u>(3,322)</u>	<u>3,834</u>

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



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017

	AS AT 28.02.2017 RM'000	AS AT 29.02.2016 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	72,190	71,993
Investments in joint ventures	3,410	3,018
Other investments	7	7
Land held for property development	188,184	123,602
Investment properties	33,437	33,327
Deferred tax assets	892	1,021
	<u>298,120</u>	<u>232,968</u>
Current Assets		
Property development costs	182,764	165,609
Inventories	13,919	13,303
Trade and other receivables	53,409	74,434
Sinking funds	-	213
Tax recoverable	2,446	1,152
Cash and bank balances	29,793	38,394
	<u>282,331</u>	<u>293,105</u>
TOTAL ASSETS	<u>580,451</u>	<u>526,073</u>



EUPE CORPORATION BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2017 (Contd.)

	AS AT 28.02.2017 RM'000	AS AT 29.02.2016 RM'000
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	128,000	128,000
Share premium	5,982	5,982
Reserves	147,334	154,173
	<u>281,316</u>	<u>288,155</u>
Non-Controlling Interest	8,631	5,114
TOTAL EQUITY	<u>289,947</u>	<u>293,269</u>
Non-Current Liabilities		
Borrowings	102,073	67,398
Deferred tax liabilities	13,619	14,075
	<u>115,692</u>	<u>81,473</u>
Current Liabilities		
Trade and other payables	126,245	119,626
Provision for infrastructure & renovation cost	3,302	3,357
Borrowings	43,160	27,520
Current tax liabilities	2,105	828
	<u>174,812</u>	<u>151,331</u>
TOTAL LIABILITIES	<u>290,504</u>	<u>232,804</u>
TOTAL EQUITY AND LIABILITIES	<u>580,451</u>	<u>526,073</u>
Net Assets Per Share Attributable to Equity Holders of the Company (RM)	<u>2.20</u>	<u>2.25</u>

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



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

	← Attributable to Equity Holders of the Company →				Total RM'000	Non - Controlling Interest RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Foreign Currency Translation reserve RM'000	Retained profits RM'000			
Balance as at 1 March 2016	128,000	5,982	63	154,110	288,155	5,114	293,269
(Loss) / Profit for the year	-	-	-	(7,389)	(7,389)	3,254	(4,135)
Other Comprehensive Income	-	-	550	-	550	263	813
Total comprehensive income	-	-	550	(7,389)	(6,839)	3,517	(3,322)
Balance as at 28 February 2017	<u>128,000</u>	<u>5,982</u>	<u>613</u>	<u>146,721</u>	<u>281,316</u>	<u>8,631</u>	<u>289,947</u>
Balance as at 1 March 2015	128,000	5,982	(17)	150,203	284,168	4,966	289,134
Profit/ (Loss) for the year	-	-	-	3,338	3,338	(153)	3,185
Other Comprehensive Income	-	-	80	569	649	-	649
Total comprehensive income	-	-	80	3,907	3,987	(153)	3,834
Transactions with Owners							
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	(221)	(221)
Ordinary shares issued to non-controlling interest by subsidiary companies	-	-	-	-	-	522	522
Balance as at 29 February 2016	<u>128,000</u>	<u>5,982</u>	<u>63</u>	<u>154,110</u>	<u>288,155</u>	<u>5,114</u>	<u>293,269</u>

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



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2017

	12 MONTHS ENDED	
	28.02.2017	29.02.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	136,122	139,635
Cash payments to suppliers and creditors	(75,248)	(142,568)
Cash payments to employees and for expenses	(41,517)	(21,754)
Cash generated from / (used in) operations	<u>19,357</u>	<u>(24,687)</u>
Bank overdraft interest paid	(236)	(256)
Rental income received	536	400
Deposit (refunded) / received	(104)	188
Insurance compensation received	266	-
Tax refund	-	755
Tax paid	(4,971)	(4,663)
Net cash from / (used in) operating activities	<u>14,848</u>	<u>(28,263)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	860	680
Management fees received	59	-
Purchase of leasehold land	(65,373)	(2,140)
Purchase of property, plant and equipment	(5,215)	(1,971)
Proceed from disposal of property, plant and equipment	295	51
Subsequent expenditure on investment properties	(213)	(174)
Advances from joint ventures	-	3,303
Investment in Unit Trust/ Other Investment	-	6
Net cash used in investing activities	(69,587)	(245)



EUPE CORPORATION BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2017 (Contd.)

	12 MONTHS ENDED	
	28.02.2017	29.02.2016
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	-	522
Advance from other payables	-	2,140
Dividend paid to non controlling interest	-	(221)
Drawdown of revolving credit	30,000	4,800
Drawdown of term loan	71,951	64,863
Net creation of bankers' acceptance	(826)	4,264
Repayment of revolving credit	(14,000)	-
Repayment of term loan	(37,627)	(24,224)
Repayment of hire purchase loan	(563)	(621)
Repayment to directors	-	(197)
Term loan interest paid	(3,153)	(787)
Revolving credit interest paid	(715)	(43)
Discount paid on bankers' acceptance	(270)	(245)
Hire purchase interest paid	(103)	(135)
Fixed deposits released from pledge/(pledge to licensed bank)	4	(91)
Net cash from financing activities	44,698	50,025
Net (decrease) / increase in cash and cash equivalents	(10,041)	21,517
Effect of exchange rate changes	81	100
Cash and cash equivalents at beginning of financial year	34,300	12,683
Cash and cash equivalents at end of financial year	24,340	34,300
Cash and cash equivalents at end of financial year comprise the following :		
Cash and bank balances	27,215	34,101
Fixed deposits with licensed banks	2,578	4,293
	29,793	38,394
Less: Bank overdraft	(3,659)	(2,296)
Deposits pledged as collateral	(1,794)	(1,798)
	24,340	34,300

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



EUPE CORPORATION BERHAD

(Company No.: 377762-V)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

Part A: Explanatory Notes Pursuant to FRS 134

A1 Basis of Preparation

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

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

A2 Accounting Policies

The accounting policies adopted in preparing the Condensed Report are consistent with those used in the audited financial statements for the financial year ended 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 2017

- Amendments to FRS 107 Statement of Cash Flows – Disclosure Initiative
- Amendments to FRS 112 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 12 Disclosure of Interests in Other Entities – Annual Improvements to FRS Standards 2014-2016

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

- Amendments for FRS 1 First-time adoption of Financial Reporting Standards – Annual Improvements to FRS Standards 2014-2016 Cycle
- FRS 9 Financial Instruments
- Amendments to FRS 128 Investment in Associates and Joint Ventures – Annual Improvements to FRS Standards 2014-2016 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.



EUPE CORPORATION BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

A2 Accounting Policies (Contd.)

Malaysian Financial Reporting Standards Framework (MFRS Framework)

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

The Group has continued to prepare 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 auditors’ report for the preceding financial year ended 29 February 2016 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors, except for the Chalet and Golf Management Division which normally peaks during major festive seasons and holidays.

A5 Unusual Items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, net income or cash flow of the Group during the financial quarter and year ended 28 February 2017.

A6 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the financial quarter and year ended 28 February 2017.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter and year ended 28 February 2017.

On 31 January 2017, Companies Commission of Malaysia announced the enforcement of the first phase implementation of Companies Act 2016 (“CA 2016) where the No Par Value (“NPV”) environment is introduced. Section 74 of CA 2016 provides that all shares issued before or upon the commencement of the CA 2016 shall have NPV.

In a NPV environment, shares are issued at a price to be determined by the directors. The concepts such as authorized share capital and minimum/nominal/par value for each share and the number of shares issued by the company must not exceed its authorized share capital are no longer applicable. Consequently, shares issued at a discount, shares issued at a premium, and the share premium account have become redundant.

As at 28 February 2017, the Group has share premium of RM5.98 million, which may be utilised for the approved purposes within a transitional period of 24 months, after which, the amount will be part of the Group’s subscribed capital and cannot be used except in accordance with the CA2016. Up to the date of this report, the directors have not decided on any utilisation of the share premium.

A8 Dividend Paid

There was no dividend paid during the financial quarter and year ended 28 February 2017.

A9 Segmental Reporting

For 12 months ended 28 February 2017:

	Property Development RM’000	Property Construction RM’000	Chalet & Golf Management RM’000	Others RM’000	Total RM’000
Revenue	142,599	79,425	10,138	3,657	235,819
Inter-segment	-	(67,054)	(146)	(1,409)	(68,609)
	<u>142,599</u>	<u>12,371</u>	<u>9,992</u>	<u>2,248</u>	<u>167,210</u>
Segment Results	21,214	(11,556)	(7,630)	(395)	1,633
Interest income	804	4	85	117	1,010
Finance costs	(1,174)	(377)	(348)	(156)	(2,055)
Profit before taxation	20,844	(11,929)	(7,893)	(434)	588
Taxation					(4,723)
Profit for the period					<u>(4,135)</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

A9 Segmental Reporting (Contd.)

For 12 months ended 29 February 2016:

	Property Development RM'000	Property Construction RM'000	Chalet & Golf Management RM'000	Others RM'000	Total RM'000
Revenue	84,725	94,563	15,086	3,939	198,313
Inter-segment	-	(67,280)	-	(1,703)	(68,983)
	<u>84,725</u>	<u>27,283</u>	<u>15,086</u>	<u>2,236</u>	<u>129,330</u>
Segment Results	5,345	2,645	(1,276)	(1,119)	5,595
Interest income	479	6	185	10	680
Finance costs	(643)	(365)	(263)	(195)	(1,466)
Profit before taxation	<u>5,181</u>	<u>2,286</u>	<u>(1,354)</u>	<u>(1,304)</u>	<u>4,809</u>
Taxation					<u>(1,624)</u>
Profit for the period					<u>3,185</u>

A10 Related Party Disclosures

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

A11 Valuation of Property, Plant & Equipment and Investment Properties

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

A12 Material Events

There were no material events subsequent to the financial quarter and year ended 28 February 2017.

A13 Changes in Composition of the Group

There were no material changes in the composition of the Group during the financial quarter and year ended 28 February 2017.



EUPE CORPORATION BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

A14 Contingent Liabilities and Assets

Details of contingent liabilities of the Group as at the balance sheet date are as follows:

	28.02.2017	29.02.2016
	RM'000	RM'000
Guarantees given issued by the Company for banking facilities granted to subsidiaries	150,618	100,382
Guarantees given to suppliers of a subsidiary	293	520
	<u>150,911</u>	<u>100,902</u>

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

A15 Capital commitments

The capital commitment not provided for in the Condensed Report as at the end of the financial year is as follows:

	RM'000
Leasehold land	<u>19,262</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

B1 Review of Performance

Revenue	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	28.02.17 RM'000	29.02.16 RM'000	Variance RM'000	28.02.17 RM'000	29.02.16 RM'000	Variance RM'000
Property Development	48,906	25,509	23,397	142,599	84,725	57,874
Property Construction	3,067	4,237	(1,170)	12,371	27,283	(14,912)
Chalet & Golf Management	3,229	5,056	(1,827)	9,992	15,086	(5,094)
Others	470	626	(156)	2,248	2,236	12
Total	55,672	35,428	20,244	167,210	129,330	37,880

(Loss) / Profit before tax	Individual Quarter 3 months ended			Cumulative Quarter 12 months ended		
	28.02.17 RM'000	29.02.16 RM'000	Variance RM'000	28.02.17 RM'000	29.02.16 RM'000	Variance RM'000
Property Development	6,773	425	6,348	20,844	5,181	15,663
Property Construction	(8,047)	1,540	(9,587)	(11,929)	2,286	(14,215)
Chalet & Golf Management	(2,954)	305	(3,259)	(7,893)	(1,354)	(6,539)
Others	(247)	(484)	237	(434)	(1,304)	870
Total	(4,475)	1,786	(6,261)	588	4,809	(4,221)

Overall the Group's revenue for current quarter ended 28 February 2017 ("Q417") increased by 57% or RM20.2 million with the Property Development Division ("PDD") being the sole contributor to this increase. During Q417, PDD recorded a total of RM48.9 million of revenue – 92% or RM23.4 million higher - compared to RM25.5 million recorded in the in preceding year's corresponding quarter ended 29 February 2016 ("Q416"). However, the positive impact of this revenue increase was diluted by the significantly lower revenue achieved by Chalet & Golf Management Division ("CGMD") and Property Construction Division ("PCD") in Q417.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

B1 Review of Performance (Contd.)

In line with the increase in the Revenue, PDD's profit before tax in Q417 was RM6.3 million higher than Q416. However, this profit growth was offset by a less satisfactory performance of both CGMD and PCD. As a result, the Group recorded a loss before tax of RM4.5 million in Q417 as compared to the RM1.8 million profit before tax in Q416.

For the 12-month period ended 28 February 2017 ("FY2017"), the Group recorded total revenue of RM167.2 million, which was RM37.9 million or 29% higher compared to the preceding year's revenue of RM129.3 million. The increase is mainly attributed to the improved performance of the PDD during the financial year.

The PDD recorded a RM20.8 million profit before tax in FY2017. However, this has been offset by CGMD's and PCD's losses and this resulted in a slight profit before tax for the Group of RM0.6 million for FY2017, compared to profit before tax of RM4.8 million in the preceding year.

Property Development Division

Revenue recorded by PDD for the current quarter and financial year of RM48.9 million and RM142.6 million respectively represented growth of more than 60% compared to preceding year's corresponding period. Novum@South Bangsar, the Group's first high-rise residential development project in Kuala Lumpur, has been the key contributor to the solid growth. The strong sales rate and work progress of the Novum@South Bangsar project has been complemented by solid sales growth from PDD's affordable housing products in the Northern Region. At the same time, overall revenue has been slowed by softening sales for PDD's high-end development projects in the Northern Region due to the soft market sentiment in this segment.

Consistent with its higher revenue result for the quarter, the PDD's profit before tax increased to RM6.8 million and RM20.8 million respectively for the current quarter and financial year. Again, this was largely the result from the higher sales and work progress achieved by Novum@South Bangsar project.

Property Construction Division

PCD recorded a lower revenue of RM3.1 million and RM12.4 million respectively, for Q417 and FY2017. Due to the PCD's sole external construction project, Alma Hill Park project, being completed during this period, revenue for Q417 and FY2017 was derived mainly from the supply of building materials to its sub-contractors for on-going projects.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

B1 Review of Performance (Contd.)

Property Construction Division (Contd.)

The loss before tax of RM8.0 million and RM11.9 million for the current quarter and financial year respectively was the result of unbudgeted costs incurred to complete the Alma Hill Park project, as well as high administrative overheads during this phase.

Chalet & Golf Management Division

Since June 2016, the Group has embarked on a major investment program to modernise and refurbish the facilities of its Golf Course, Resort and Water Theme Park. This is in line with the Group's strategy to reposition CGMD to capture higher market share and sustainable long-term growth. Phase 1 of the upgrade and refurbishment works have been completed and the facilities were re-opened to the public during the current quarter.

The performance of the Resort and Water Theme Park have been affected by the upgrade and refurbishment works due to the closure of key facilities. This in turn resulted in lower revenue of RM3.2 million for the current quarter, which in turn contributed to a RM2.9 million and RM7.9 million loss before tax respectively for the current quarter and full financial year.

Others

The Others Division represents the rental from investment and tenanted properties and management of fruit cultivation. Revenue for the division for the current quarter totalled RM0.5 million, compared to RM0.6 million for the corresponding quarter of the previous year. This resulted in a pre-tax loss of RM0.2 million for the quarter, compared to a RM0.5 million loss recorded for the same quarter of the previous financial year.

B2 Material Changes in the Quarterly Results

The Group's overall revenue increased from RM34.9 million for the immediate preceding quarter to RM55.5 million in current quarter, due to proceeds beginning to flow through to the Group's balance sheet from PDD's initial expansion into Kuala Lumpur, notably the Novum@South Bangsar project. However, the loss before tax of the Group increased from RM0.8 million for the immediate preceding quarter to a loss before tax of RM4.5 million for the current quarter due to lower revenue and resultant net profit losses recorded by the Group's Chalet and Golf Management and Property Construction Divisions over this period.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

B3 Prospects

The outlook for the Malaysian economy continues to be stable with domestic demand continuing to be the principal driver of economic growth. Despite a continuing growth path for the national economy, ongoing global economic uncertainty combined with soft consumer demand resulting largely from a lower ringgit and other inflationary pressures, means the outlook for the property industry remains challenging in short-term. Despite these challenges, the Group believes it is well-placed to meet these challenges, particularly given that its largest Division – Property Development – has exposure to a range of market segments in the property market which acts as an important hedge to cycles in particular segments. The success of Novum@SouthBangsar in terms of strong sales is encouraging given the result has been achieved in challenging market conditions and highlights the Group's strategy of defining its projects around clear and competition point of design and lifestyle differentiation. As such, the Group remains firmly focussed on its medium to long-term growth plan of successfully executing a consistent pipeline of innovative, sought-after high-rise residential projects in The Greater Kuala Lumpur. At the same time, it continues to recalibrate to product offering in the Group's established markets of Northern Malaysia in order to attract consistent sales in challenging market conditions.

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 28.02.17 RM'000	Year To-date 28.02.17 RM'000
Current year taxation	328	5,050
Deferred taxation	(277)	(327)
	<u>51</u>	<u>4,723</u>

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.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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B6 Profit / (Loss) Before Taxation

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

	Current Quarter 28.02.2017 RM'000	Year To-date 28.02.2017 RM'000
Interest income	358	1,010
Interest expense	(633)	(2,055)
Other income	43	1,269
Depreciation and amortisation	(872)	(4,008)
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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 28 February 2017 were as follows:

	Secured RM'000
Bank Overdrafts	3,659
Short Term Bank Borrowings	39,501
Long Term Bank Borrowings	102,073
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	145,233

B9 Changes in Material Litigation

There were no material litigations, which would have a material adverse effect on the financial results for the financial quarter and year ended 28 February 2017.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER AND YEAR ENDED 28 FEBRUARY 2017

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

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 28.02.17 RM' 000	As at 29.02.16 RM' 000
Total retained earnings of the Group:		
- Realised profits	159,488	166,595
- Unrealised losses	(12,767)	(12,485)
Total Group's retained profits as per consolidated accounts	146,721	154,110

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 28.02.2017 RM	Year To-date 28.02.2017 RM
<u>Basic earnings per share</u>		
Net profit attributable to equity holders of the company (RM'000)	(4,398)	(7,389)
Weighted average number of ordinary shares ('000)	128,000	128,000
Basic earnings/(loss) per share (sen)	(3.44)	(5.77)

B13 Authorised for Issue

The Condensed Report were authorised for issued by the Board in accordance with a resolution of the directors on 27 April 2017.