EUPE CORPORATION BERHAD
(377762-V)

ANNUAL REPORT
2009

Strength in *flexibility*

Contents

Financial Statements

CORPORATE INFORMATION

BOARD OF DIRECTORS

Managing Director
Beh Huck Lee

Non-Independent Executive Director
Muhamad Faisal bin Tajudin

Non-Independent Non-Executive Director
Datin Paduka Teoh Choon Boay

Independent Non-Executive Director
Dato' Jaafar Bin Jamaludin

Independent Non-Executive Director
Tan Hiang Joo

Independent Non-Executive Director
Kek Jenny

AUDIT COMMITTEE

Chairman of the Committee
Dato' Jaafar Bin Jamaludin*

Members of the Committee
Tan Hiang Joo*
Kek Jenny*

* Independent Non-Executive Directors

COMPANY SECRETARIES

Lim Hooi Mooi (MAICSA 0799764)
Ng Bee Lian (MAICSA 7041392)

REGISTERED OFFICE

5th Floor, Wisma Ria, Taman Ria,
08000 Sungai Petani,
Kedah Darul Aman, Malaysia.
Tel : 604-441 4888 Fax : 604-441 4548
Website : www.eupe.com.my

AUDITORS

BDO Binder
Chartered Accountants
12th Floor, Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 603-2616 2888 Fax : 603-2616 3190

SOLICITORS

Wong, Beh & Toh
Haji Mahmud & Partners
Ng & Anuar
Young & Company
Nor, Ding & Co

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

CIMB Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
RHB Bank Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Board of the Malaysian Securities Exchange Berhad

MESSAGE FROM THE MANAGING DIRECTOR

Financial Performance

Overall, 2008 has been a challenging year. On the back of a tougher operating environment and escalating construction costs, revenue dipped 18% from RM153.6 million to RM126.2 million for the financial year ended 28 February 2009. Correspondingly, profit before tax slid to RM6.9 million from RM19.1 million in the previous year. Net profit slid to RM5 million from RM13.3 million the year before.

Property Development

Property development contributed 65% towards the revenue of the Group and all of the profit. The slide in the profit was due to two main factors - the escalation of construction costs after the projects had been launched, thus eroding the margins; and the reduced number of projects launched in the year under review. Most of the profits recognised in this period were the result of sales in the past 15-18 months. The building material price hike following that further escalated costs but could not be priced into the units that had been sold, thus narrowing margins. Newly launched properties have not had their profit figures recognised as construction has yet to commence. In view of the soft market, fewer launches were recorded.

The Group's 650-acre Bandar Seri Astana saw the issuance of the Certificate of Fitness for Occupation for its 740 unit-Parcel C development. Parcel E comprising 951 residential units was launched in February 2009. The rate of uptake has been encouraging.

MESSAGE FROM THE MANAGING DIRECTOR
(continued)

For Sky Residences in Cinta Sayang Resort, the Group's condominium project, construction has reached 78%. As a first on many fronts including the first condominium project within a golf course in Northern Malaysia, Sky is also moving towards the LEED Certification*. This is in tandem with the Group's aim to "go green" in maximising the efficiency of water use, promoting energy savings, airflow, ventilation and an improved indoor environmental quality, among other things. The building's curvilinear structure maximises golf views whilst enhancing natural airflow and ventilation. Owners will have access to the resort and hotel facilities and literally enjoy the greens for breakfast or at any time of the day. As this is a completely new concept in Sungai Petani, we will be implementing the "build-then-sell" strategy so that potential buyers will be able to experience first-hand the sprawling uninterrupted views for miles around. We will be releasing the remaining units to the local market very soon.

Cinta Sayang Resort Homes, the Group's gated and guarded estate adjacent to the Carnivall Water and Land of Excitement as well as Cinta Sayang Resort, recorded a sales of 172 units to date. Construction is currently up to 75% and we will be applying for the Certificate of Fitness for Occupation soon. As with Sky Residences, this is another project that will take advantage of the Group's synergies as owners will have access to the leisure facilities at the Resort and Hotel.

Taman Ria Mesra II, the Group's 196-acre township in Gurun recorded sales of 251 units during the period bringing the total sales so far to 1,072 units. For the coming year, we will continue to market the residential units but will be launching the commercial component of this project as well. This is to support the burgeoning market in the area as the residents move into their homes in phases.

* LEED is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, CO2 emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.

Developed by the U.S. Green Building Council (USGBC), LEED provides building owners and operators a concise framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions.

Civil Engineering and Construction

The construction division recorded a loss of RM1.3 million due to the escalation in building material prices. In the year under review, this division focused on consolidation and the strengthening of internal controls to fuel future growth. The division is en-route to attaining the LEED certification for Sky Residences



and has implemented the QLASSIC(Quality Assessment System in Construction, as certified by the Construction Industry Development Board Malaysia) programme. It will also be upgrading its ISO 9001/2000 certification to the latest 9001/2008 version in July 2009.

Hotel and Resort Division - Cinta Sayang Golf and Country Resort, Cinta Sayang Hotel, The Carnivall Water and Land of Excitement

A drop in tourist arrivals and a depressed business market affected the performance of the hospitality division. We anticipate that this will improve in the current year - as the synergies of tying in the property development division with this will see the residents of Sky Residences and Cinta Sayang Resort Homes becoming part of the community. On the marketing of this sector, we will continue to look at the MICE (Meetings, Incentives, Conventions, Exhibitions) market and tap new ones via networks with external parties. For this year, we managed to get more international markets (from Taiwan, Shanghai, the Middle East, North America, Europe and Australia) in and will continue to do so to develop Cinta Sayang Resort as an international resort and to promote northern Malaysia's tourism. Going forward, more MICE facilities will be constructed along with phases 2 and 3 of the Carnivall development, encompassing convention and shopping facilities to complement the entire resort development. The hotel condo will add approximately 80 hotel condo units to the hotel division.

It will be a place to live, learn, play and work, with an increased number of residents in the near future, both from the international community and locals. We will be the only venue in the northern Malaysia with such comprehensive facilities, including an 18 hole international golf course and a waterpark . Together with the residential development, we intend to play a significant role in bringing in tourism and foreign investment to the northern region.

MESSAGE FROM THE MANAGING DIRECTOR
(continued)

Prospects and Plans

The past year has been a challenging one but we believe that we will be able to overcome the economic turbulence by focusing on our core competencies. As our forte has always been township development, we will focus on this key strength and the differentiation of our township from others.

In making our townships different, we will continue to look at elements like the environment - creating a place that people would want to call home. This we do via landscaped roads, themed playparks with sheltered pergolas, jogging tracks and outdoor gyms to give our homeowners space for recreation and relaxation. Our in-house landscape team maintains and plants shrubs and flowers along the walkways and roads. Our road sweeper vehicle sweeps the roads even after this infrastructure has been surrendered to the government.

We will continue to provide services, amenities and facilities for the convenience of our housebuyers. In Seri Astana, a mini supermarket was launched in July 2009 in our privately owned and managed Pasar Astana and HomeMart. Our donation of land and part contribution towards the building of SRJK(C) Lin Khay which took in its first batch of students for the 2008 school year now provides the residents of Seri Astana with a full-fledged school. Security booths at key areas in Parcels A, B and C with security patrols provide additional peace of mind. A night market has also signed with us to operate once a week in Astana. Festive celebrations, our Group's annual Futsal Cup and other events are held regularly to enhance the lifestyle of the residents.

Quality is another of our key focus. In this aspect, we are looking towards not just quality, but environmentally friendly and energy-efficient buildings as well. Towards this end, our construction division is working towards the LEED certification. We will also continue the implementation of the QLASSIC programme for the other projects.

Despite the rather subdued market, we are of the view that the economy is bottoming out. Our sales figures recorded a pick up in recent months. This, together with our low stock count, well located land bank and consistent sales figures bode well for the year ahead.

Dividend Policy

In view of the current economy and challenging conditions ahead, the Board of Directors does not recommend any payment of dividend for the year ended 28 February 2009.

Corporate Social Responsibility

We will continue to play a role in supporting our community and aiding the less fortunate. During the year under review, we contributed RM200,000 for the construction of SRJK(C) Lin Khay on a parcel of land that was donated by the Group. In addition, we support a number of charities on an annual basis, one of the key ones being the Beng Siew charitable, educational and dialysis funds which provides scholarships and dialysis treatments to the underprivileged.

Conclusion

To our shareholders, our sincerest apologies for a year that did not meet expectations. We will do our utmost to improve the situation.

To our other colleagues, suppliers, associates and friends, let us not allow the environment to control us. Let us not wait for someone to deliver us. We determine our direction. We are the masters of our destiny. We are the leaders. Let us all take charge and move together towards a common goal.

Beh Huck Lee
Managing Director

15 July 2009

PROFILE OF DIRECTORS (continued)

Beh Huck Lee
Managing Director

Aged 38. 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 (now known as Bursa Malaysia Securities Bhd).

Attended all four board meetings in the financial year. No conflict of interest with the Group and is the son of Datin Paduka Teoh Choon Boay. Is also a director of 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.

Muhamad Faisal bin Tajudin
Non-Independent Executive Director

Aged 38. Appointed to the Board on 30 June 2006.

Holds a Bachelor of Arts from the Loyola Marymount University. Was attached to Aima Development Sdn Bhd which was responsible for the development of City Plaza in Alor Setar prior to joining the Group.

Attended all four board meetings in the financial year. No conflict of interest with the Group. 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.

Dato' Jaafar bin Jamaludin

DSDK, ARICS, ARVA, MISM
Independent Non-Executive Director

Aged 63. 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 four 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 44. 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 four 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)

Datin Paduka Teoh Choon Boay

Non-independent Non-Executive Director

Aged 60. 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 three out of four 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 of Beh Heng Seong Sdn Bhd, a major shareholder of the Company. Has not been convicted of offences within the past ten years.

Kek Jenny

Independent Non-Executive Director

Aged 44. 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 three out of four 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.

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.

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 year ended 28 February 2009, four board meetings were convened. The details of board attendance are as follows :

Name of Directors		No. of Meetings Attended
Beh Huck Lee	(Non-Independent Executive Director)	4 out of 4
Muhamad Faisal bin Tajudin	(Non-Independent Executive Director)	4 out of 4
Dato' Jaafar Bin Jamaludin	(Independent Non-Executive Director)	4 out of 4
Datin Paduka Teoh Choon Boay	(Non-Independent Non-Executive Director)	3 out of 4
Tan Hiang Joo	(Independent Non-Executive Director)	4 out of 4
Kek Jenny	(Independent Non-Executive Director)	3 out of 4

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 21 to 25 of the Annual Report.

There is currently no Nomination 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.

There is no Remuneration Committee to recommend to the Board the remuneration of executive Directors. The entire Board will review the remuneration of the executive Directors should this issue arise.

Board Balance

The Board comprises six (6) Directors as follows:

- 2 non-independent executive Directors ;
- 1 non-independent non-executive Director; and
- 3 independent non-executive Directors.

The Board has an independent element comprising half of the Board 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 four (4) 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. Directors are encouraged to undergo relevant training to further enhance their skills and knowledge. In addition, Executive Directors regularly attend seminars on the property industry. 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 Directors have also attended and successfully completed the training programmes prescribed by Bursa Malaysia to accumulate the requisite 72 Continuous Education Programme Points within the stipulated period as required by the Bursa Securities Listing Requirements.

In the year under review, an in-house training programme for directors on investment and returns in property was held in August 2008.

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(6) 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 29 February 2009 is as follows:

	Salaries and EPF RM	Bonuses RM	Fees RM	Allowances RM	Total RM
Executive Directors	716,648	196,000	36,000	5,000	953,648
Non-executive Directors	-	-	84,000	9,500	93,500

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

Remuneration bands (RM)	Executive Directors	Non-Executive Directors
50,000 and below		4
500,001 to 600,000	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.

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 or the Managing Director 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 of the Board or 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 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 cashflow 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 18 to 20 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 21 to 25 of the Annual Report.

COMPLIANCE STATEMENT

Throughout the financial year ended 28 February 2009, 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 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 Nomination 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.
- 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.
- 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

STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

This is not applicable for the financial year ended 28 February 2009.

SHARE BUYBACKS

There was no share buyback scheme implemented during the financial year ended 28 February 2009.

AMOUNT OF OPTIONS, WARRANTIES OR CONVERTIBLE SECURITIES EXERCISED IN RESPECT OF THE FINANCIAL YEAR

This is not applicable for the financial year ended 28 February 2009.

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

The Group has not sponsored any ADR or GDR programme during the financial year ended 28 February 2009.

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 ended 28 February 2009.

NON-AUDIT FEES

There were no non-audit fees paid to the external auditors during the financial year ended 28 February 2009.

PROFIT GUARANTEES

There were no profit guarantees given by the Company during the financial year ended 28 February 2009.

MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries which involves directors' and major shareholders' interests during the financial year ended 28 February 2009.

REVALUATION POLICY

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

STATEMENT OF INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.27(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements requires Directors of the listed companies to include a statement in their annual reports on the "state of the internal controls of the listed issuer as a group".

The Board of Directors of Eupe Corporation Berhad ('The Board') is pleased to issue the following statement on the state of internal control of the Group, which has been prepared in accordance with the "Statement on Internal Control - Guidance for Directors of Public Listed Companies" issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

RESPONSIBILITIES

The Board is responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework for reviewing its adequacy and integrity. The system of internal control covers risk management and the relevant internal 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.

RISK MANAGEMENT FRAMEWORK

The Board engaged a firm of consultants to carry out an Enterprise Risk Management ("ERM") review for Eupe Corporation Berhad and its subsidiaries in January 2002. Subsequent to the ERM review, a Risk Management Manual which outlines the risk management framework for the Group and offers practical guidance to all employees on risk management issues was established.

As the Group operates in a dynamic environment, a risk update exercise covering the property and construction division was carried out by the management with the assistance from the firm of consultants in August 2008. Thereafter the management identified the top principal risks and developed relevant Key Performance Indicators (KPI) and action plans to monitor the risk mitigation and achievement of business objectives. A report on the outcome of the risk update, as well as the facilitation of the KPIs and action plans was presented to the Audit Committee on 23 October 2008.

Besides strengthening risk management functions, the Enterprise Risk Management workshop was carried out to educate all employees within the Group on risk identification, evaluation, control, ongoing monitoring and reporting.

The Board confirms that there will be an on-going process to identify, evaluate and manage significant risks faced by the Group. This process shall be regularly reviewed by the Board.

INTERNAL AUDIT FUNCTION

The Group outsourced its Internal Audit function to external consultants. The Internal Audit function adopted the risk-based methodology in its review of the key processes of the identified operating units in the Group and provided independent and objective reports on the state of internal control of the various operating units within the Group to the Audit Committee. The Internal Audit function also monitored and reported on the status of Management follow up on the implementation of Management action plans to improve areas where control deficiencies were noted during the internal audit.

The Internal Audit cost incurred for the financial year ended 28 February 2009 is RM 42,500 and the key activities carried out by the Internal Audit function were as follows:

- Tabled and presented the Internal Audit strategy for the financial years ending 28 February 2009-2011 and the detailed Internal Audit plan for the financial year ending 28 February 2009 to the Audit Committee in October 2008; and

- Carried out 1 cycle of the Internal Audit covering the finance and marketing processes of the property development and construction division. An interim report highlighting the salient observations was presented to the Audit Committee on 24 April 2009.

The effectiveness of the systems of internal control was also reviewed through an on-going management appraisal of the effectiveness of its operations and the MS ISO 9001:2000 certification, which has been obtained by the civil engineering and construction arm as well as the hospitality arm (the resort and hotel division). The maintenance of the ISO 9001 certification requires independent audits by Lloyds Register Quality Assurance and an internal quality audit each year. Pursuant to the surveillance audit carried out in February 2009, a training workshop was held on the requirements of the revamped ISO 9001:2008 standard.

Additionally, ongoing reviews and deliberation of financial and operational reports during Board and Audit Committee meetings are carried out to ensure the effectiveness and adequacy of the Groups' internal control system in safeguarding the shareholders' investment and the Group's assets.

STATEMENT OF INTERNAL CONTROL
(continued)

SYSTEM OF INTERNAL CONTROL

Apart from Risk Management and Internal Audit, the other key elements of the Group's system of internal controls are as follows:

- The Group has in place an organisation structure with clearly defined reporting lines aligned with business and operational requirements;
- The Audit Committee, chaired by an Independent Non-Executive Director reviews the internal control system and findings of the internal and external auditors;
- Policies and procedures for key processes are documented and communicated to employees for application across the Group. These are supplemented by operating procedures set by individual companies, as required for the type of business of each company;
- A regular review of the annual budget is undertaken by the management to identify, and where appropriate, to address significant variances from the Budget;
- An effective reporting system, which ensures the timely generation of financial information for management review has been put in place. Financial Results are reviewed quarterly by the Board and the Audit Committee; and
- The Group has in place continuous quality improvement initiatives to ensure accreditation such as ISO certification for selected businesses.

WEAKNESS IN INTERNAL CONTROL THAT RESULTS IN MATERIAL LOSS

The Board is of the opinion that there were no material losses incurred during the financial year ended 28 February 2009 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.

This statement is issued in accordance with a resolution of the Directors dated 23 July 2009.

AUDIT COMMITTEE REPORT

COMPOSITION

The present members of the Committee comprise:

Chairman:

Dato' Jaafar Bin Jamaludin	Independent Non-Executive Director

Members:

Tan Hiang Joo	Independent Non-Executive Director
Kek Jenny	Independent Non-Executive Director

MEETINGS

The Audit Committee convened four meetings during the financial year. All meetings are attended by all the Audit Committee Members except for Ms. Kek Jenny who had attended three meetings during the financial year. 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;
- Reviewed key business proposals such as land acquisitions and investments and recommended proposals to the Board; and
- Reviewed the Company's compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements, particularly with regards to the quarterly and year end financial statements.

AUDIT COMMITTEE REPORT (continued)

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; as well as the hospitality and resort division.

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 Lloyds 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 18 to 20 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.

All members of the Audit Committee must be non-executive directors.

All members of the Audit Committee shall be financially literate and 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; and
  - He must fulfill such other requirements as prescribed or approved by the Exchange.

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.

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 twice 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.

AUDIT COMMITTEE REPORT (continued)

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, the internal auditors or both, without the presence of the other Directors and employees of the Company, whenever deemed necessary.

Internal Audit

- The Company must establish an internal audit function which is independent of the activities it audits.
- The Company must ensure its internal audit function reports directly to the Audit Committee.

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, functions, competency 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 have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 28 February 2009.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 8 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) for the financial year	5,004,794	(17,185)
Attributable to:		
Equity holders of the Company	4,891,301	(17,185)
Minority interest	113,493	-
	5,004,794	(17,185)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors 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 the financial statements.

ISSUES OF SHARES AND DEBENTURES

There were no issues of new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Options Scheme ("ESOS").

EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS")

The Employees' Share Options Scheme ("ESOS") was established and come into effect on 13 August 2007. The options to subscribe for up to 9,180,000 ordinary shares of RM1.00 each of the Company are available to eligible employees (including Directors) of the Group at an exercise price of RM1.00 per shares. The ESOS shall be in force for a period of five (5) years until 12 August 2012 (the option period). The main features of the ESOS are as follows:

EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS") (continued)

(a) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one (1) year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee appointed by the Board of Directors.

(b) The total number of options to be offered under the ESOS shall not exceed 15% of the issued and paid-up ordinary share capital of the Company at any one time during the existence of the ESOS.

(c) The option price of a new ordinary share under the ESOS shall be the higher of the weighted average market price of the Company's shares as shown in Daily Official List of Bursa Malaysia Securities Berhad ("Bursa") for the five (5) Market Days immediately preceding the Date of Offer subject to a discount for not more than 10% thereto to be decided by the ESOS Committee, or at the par value of the Company's shares whichever is higher.

(d) An option granted under ESOS shall be capable of being exercised by notice in writing to the Company before the expiry of five (5) years from the date of the offer or such shorter period. According to the letter of offer to the eligible employees, the option granted is valid for a period of three (3) years until 16 August 2010.

(e) The number of shares under the options or the option price or both so far as the options remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of a capitalisation of profits or reserves or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.

(f) The shares under the options shall remain unissued until the options are exercised and shall on allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company provided that the new shares shall not be entitled to any dividends declared in respect of the particular financial year if the options related thereto are not exercised prior to or on the entitlement date and on a date during the financial year for which the dividend are declared in respect of and to any other distributions unless the options were exercised prior to or on the entitlement date.

(g) The persons to whom the options have been granted have no right to participate by virtue of the options, in any share issue of any other company.

(h) The options granted to the eligible employees to subscribe for new ordinary shares in the Company is subject to the allotment of shares in the following ratio:-

Year 1	Year 2	Year 3
60%	20%	20%

Where the maximum number of shares of the options exercisable for a period is not fully exercised, the balance number of shares not exercised shall be carried forward to the next period and shall not be subjected to the maximum number of shares for the next period.

EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS") (continued)

The movements of the options over the unissued ordinary shares of RM1.00 each in the Company granted under the ESOS during the financial year are as follows:

		Number of options over ordinary shares of RM1.00 each					
			Movements during the financial year				
	Option price RM	Outstanding as at 1.3.2008 '000	Granted '000	Exercised '000	Lapsed '000	Outstanding as at 28.2.2009 '000	Exercisable as at 28.2.2009 '000
Date of offer							
13 August 2007	1.00	9,180	-	-	(978)	8,202	6,562

There were no new options granted since the end of the previous financial year.

The Company has been granted an exemption by the Companies Commission of Malaysia vide its letter dated on 25 June 2009 from having to disclose the list of option holders and their holdings pursuant to Section 169 (11) of the Companies Act, 1965 except for information of employees who were granted options in aggregate of more than 200,000 options and above.

Other than Directors' options disclosed under the Directors' interests, the following employees are granted 200,000 options and above:

	Number of options over ordinary shares of RM1.00 each		
	Balance as at 1.3.2008	Lapsed	Balance as at 28.2.2009
Share options in the Company			
Chan Chin Wooi	220,000	-	220,000
Chiam Tow Heng	220,000	-	220,000
Chong Kui Kong	210,000	-	210,000
Dato Beh Heng Seong	220,000	-	220,000
Gan Michelle Eileen	220,000	-	220,000
Lee Koon Peng	220,000	-	220,000
Noordihan bin Hashim	220,000	-	220,000
Yeong Chee Fun	280,000	-	280,000

DIRECTORS

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

Beh Huck Lee (Managing Director)

Dato' Jaafar bin Jamaludin

Datin Teoh Choon Boay

Tan Hiang Joo

Kek Jenny

Muhamad Faisal bin Tajudin

DIRECTORS' INTERESTS IN SHARES

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary shares and debentures of its related corporations at the end of the financial year ended 28 February 2009 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	Number of ordinary shares of RM1.00 each			
	Balance as at 1.3.2008	**Bought**	**Sold**	**Balance as at 28.2.2009**
Shares in the Company				
Direct interests				
Datin Teoh Choon Boay	234,416	-	-	234,416
Tan Hiang Joo	10,000	-	-	10,000
Beh Huck Lee	3,500,000	-	-	3,500,000
Indirect interests				
Beh Huck Lee	51,914,989	-	-	51,914,989
Datin Teoh Choon Boay	51,914,989	-	-	51,914,989
Muhamad Faisal bin Tajudin	29,608,392	-	-	29,608,392

DIRECTORS' INTERESTS IN SHARES (continued)

	Number of options over ordinary shares of RM1.00 each				
	Balance as at 1.3.2008	Granted	Exercised	Lapsed	Balance as at 28.2.2009
Share options in the Company					
Beh Huck Lee	600,000	-	-	-	600,000
Dato' Jaafar bin Jamaludin	60,000	-	-	-	60,000
Datin Teoh Choon Boay	60,000	-	-	-	60,000
Tan Hiang Joo	60,000	-	-	-	60,000
Kek Jenny	60,000	-	-	-	60,000
Muhamad Faisal bin Tajudin	600,000	-	-	-	600,000

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

Other than disclosed above, none of the other Directors holding office at the end of the financial year held any beneficial interests in the ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors 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 the Director has a substantial financial interest except for any benefits which may deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 37 to the financial statements.

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 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS mentioned in Note 36 to the financial statements.

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY: (continued)

(ii) to ensure that any current assets other than debts, 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 amounts written off for bad debts or the amount of the 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; and

(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

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Group and 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.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 2 March 2009, Eupe Golf Recreation & Tour Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, being the entire issued share capital of Spring Ritz Sdn. Bhd. ("SRSB"), a company incorporated in Malaysia for a cash consideration of RM2. SRSB has not commenced operations since its incorporation.

On 2 March 2009, Eupe Golf Recreation & Tour Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, being the entire issued share capital of Posh Vista Sdn. Bhd. ("PVSB"), a company incorporated in Malaysia for a cash consideration of RM2. PVSB has not commenced operations since its incorporation.

DIRECTORS' REPORT (continued)

AUDITORS

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

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

Muhamad Faisal bin Tajudin
Director

Beh Huck Lee
Director

Sungai Petani, Kedah Darul Aman
29 June 2009

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 36 to 104 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 28 February 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Muhamad Faisal bin Tajudin
Director

Beh Huck Lee
Director

Sungai Petani, Kedah Darul Aman
29 June 2009

STATUTORY DECLARATION

I, Muhamad Faisal bin Tajudin, 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 36 to 104 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)
29 June 2009)

Before me:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EUPE CORPORATION BERHAD

Report on the Financial Statements

We have audited the financial statements of Eupe Corporation Berhad, which comprise the balance sheets as at 28 February 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 36 to 104.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 28 February 2009 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial years then ended.

INDEPENDENT AUDITORS' REPORT (continued) TO THE MEMBERS OF EUPE CORPORATION BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO Binder
AF:0206
Chartered Accountants

Hiew Kim Loong
2858/08/10(J)
Partner

Kuala Lumpur
29 June 2009

BALANCE SHEETS
AS AT 28 FEBRUARY 2009

	NOTE	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	54,793,782	57,096,281	1,404	1,998
Investments in subsidiaries	8	-	-	116,917,599	116,917,599
Other investments	9	152,538	11,257	-	-
Land held for property development	10	111,198,087	136,059,922	-	-
Investment properties	11	21,057,000	21,057,000	-	-
Prepaid lease payments for land	12	30,410,774	31,151,515	-	-
Deferred plantation expenditure	13	1,029,524	1,154,418	-	-
Deferred tax assets	14	1,750,654	1,880,395	-	-
		220,392,359	248,410,788	116,919,003	116,919,597
Current assets					
Property development costs	15	63,987,535	24,697,768	-	-
Inventories	16	10,324,667	11,474,916	-	-
Trade and other receivables	17	17,889,639	27,087,872	38,651,714	39,103,819
Sinking and redemption funds	18	802,566	885,768	-	-
Tax recoverable		2,878,818	835,892	302,261	234,519
Cash and cash equivalents	19	9,693,401	11,102,293	9,244	111,659
		105,576,626	76,084,509	38,963,219	39,449,997
TOTAL ASSETS		325,968,985	324,495,297	155,882,222	156,369,594

BALANCE SHEETS (continued)
AS AT 28 FEBRUARY 2009

	NOTE	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
EQUITY AND LIABILITIES					
Equity attribute to equity holders of the Company					
Share capital	20	128,000,000	128,000,000	128,000,000	128,000,000
Reserves	21	103,706,682	98,278,581	20,974,820	20,455,205
		231,706,682	226,278,581	148,974,820	148,455,205
Minority interest		113,493	-	-	-
TOTAL EQUITY		231,820,175	226,278,581	148,974,820	148,455,205
LIABILITIES					
Non-current liabilities					
Borrowings	22	8,874,649	7,746,828	-	-
Deferred tax liabilities	14	18,257,642	18,614,420	-	-
		27,132,291	26,361,248	-	-
Current liabilities					
Trade and other payables	28	43,939,307	51,535,487	6,907,402	7,914,389
Provision for infrastructure cost	29	2,175,401	4,100,000	-	-
Borrowings	22	20,842,327	15,142,596	-	-
Current tax payable		59,484	1,077,385	-	-
		67,016,519	71,855,468	6,907,402	7,914,389
TOTAL LIABILITIES		94,148,810	98,216,716	6,907,402	7,914,389
TOTAL EQUITY AND LIABILITIES		325,968,985	324,495,297	155,882,222	156,369,594

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

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2009

		Group		Company	
	NOTE	2009 RM	2008 RM	2009 RM	2008 RM
Revenue	30	126,269,947	153,624,504	700,000	11,599,515
Cost of sales	31	(105,828,150)	(120,533,703)	-	-
Gross profit		20,441,797	33,090,801	700,000	11,599,515
Other operating income		1,614,720	1,150,054	-	33,300
Marketing and distribution costs		(1,616,099)	(2,289,173)	-	-
Administrative expenses		(8,008,525)	(8,661,045)	(239,845)	(206,688)
Other operating expenses		(3,675,468)	(2,675,379)	(370,081)	(489,528)
Finance costs		(1,874,083)	(1,558,462)	-	-
Profit before tax	32	6,882,342	19,056,796	90,074	10,936,599
Tax expense	33	(1,877,548)	(5,747,425)	(107,259)	(3,505,181)
Profit/(Loss) for the financial year		5,004,794	13,309,371	(17,185)	7,431,418
Attributable to:					
Equity holders of the Company		4,891,301	13,402,250		
Minority interest		113,493	(92,879)		
		5,004,794	13,309,371		
Basic earnings per ordinary share attributable to equity holders of the Company (sen)	34	3.82	10.5		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2009

		Attributable to equity holders of the Company						
			<Non-Distributable>		Distributable			
Group	**NOTE**	**Ordinary share capital RM**	**Share premium RM**	**Share options reserve RM**	**Retained earnings RM**	**Total RM**	**Minority interest RM**	**Total equity RM**
Balance as at 1 March 2007		128,000,000	5,982,397	-	76,470,249	210,452,646	92,879	210,545,525
Share options granted under ESOS	36	-	-	1,377,000	-	1,377,000	-	1,377,000
Effect of changes in tax rate	14	-	-	-	1,046,685	1,046,685	-	1,046,685
Income and expenses recognised directly in equity		-	-	-	1,046,685	1,046,685	-	1,046,685
Profit for the financial year		-	-	-	13,402,250	13,402,250	(92,879)	13,309,371
Total recognised income and expenses for the financial year		-	-	-	14,448,935	14,448,935	(92,879)	14,356,056
Balance as at 29 February 2008		128,000,000	5,982,397	1,377,000	90,919,184	226,278,581	-	226,278,581
Balance as at 1 March 2008		128,000,000	5,982,397	1,377,000	90,919,184	226,278,581	-	226,278,581
Share options granted under ESOS	36	-	-	536,800	-	536,800	-	536,800
Profit for the financial year, representing total income and expenses for the financial year		-	-	-	4,891,301	4,891,301	113,493	5,004,794
Balance as at 28 February 2009		128,000,000	5,982,397	1,913,800	95,810,485	231,706,682	113,493	231,820,175

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

STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2009

		← Non-Distributable →			Distributable	
Company	**NOTE**	**Ordinary share capital RM**	**Share premium RM**	**Share options reserve RM**	**Retained earnings RM**	**Total RM**
Balance as at 1 March 2007		128,000,000	5,982,397	-	5,664,390	139,646,787
Share options granted under ESOS	36	-	-	1,377,000	-	1,377,000
Profit for the financial year, representing total income and expenses for the financial year		-	-	-	7,431,418	7,431,418
Balance as at 29 February 2008		128,000,000	5,982,397	1,377,000	13,095,808	148,455,205
Share options granted under ESOS	36	-	-	536,800	-	536,800
Loss for the financial year, representing total income and expenses for the financial year		-	-	-	(17,185)	(17,185)
Balance as at 28 February 2009		128,000,000	5,982,397	1,913,800	13,078,623	148,974,820

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

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2009

	NOTE	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		143,646,299	144,221,883	-	-
Cash payments to suppliers and creditors		(114,134,986)	(102,179,803)	-	-
Cash payments to employees and for expenses		(16,587,172)	(20,467,312)	(476,415)	(465,378)
Cash generated from/(used in) operations		12,924,141	21,574,768	(476,415)	(465,378)
Interest income received		-	33,300	-	33,300
Insurance claim received		173,692	90,986	-	-
Rental income received		270,145	207,247	-	-
Bank overdraft interest paid		(161,995)	(119,537)	-	-
Deposit (paid)/received		(145,537)	47,760	-	-
Tax refunded		-	-	-	22,308
Tax paid		(5,165,412)	(8,791,902)	-	-
Net cash from/(used in) operating activities		7,895,034	13,042,622	(476,415)	(409,770)
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(925,140)	(6,954,973)
Repayments from/(to) subsidiaries		-	-	774,140	(2,722,535)
Dividend received		884	-	525,000	10,194,240
Cash outflow on acquisition of a subsidiary	8	-	-	-	(2)
Interest income received		291,801	350,641	-	-
Proceeds from disposal of property, plant and equipment		500	2,100	-	-
Investment in unit trust		(141,157)	(278)	-	-
Purchase of land held for development		(13,317,555)	-	-	-
Purchase of property, plant and equipment	7	(1,162,640)	(2,280,604)	-	(2,000)
Net withdrawal of sinking and redemption fund		83,202	-	-	-
Net withdrawal/(placement) of fixed deposits		410,156	(39,960)	-	-
Net cash (used in)/from investing activities		(13,834,809)	(1,968,101)	374,000	514,730

CASH FLOW STATEMENTS (continued)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2009

	NOTE	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		8,775,542	725,827	-	-
Drawdown of revolving credit		4,100,000	2,000,000	-	-
Creation of bankers' acceptances		1,057,000	2,244,000	-	-
Repayments of term loan		(6,704,852)	(5,776,551)	-	-
Repayments of revolving credit		(500,000)	(4,000,000)	-	-
Repayments of hire-purchase		(225,063)	(242,410)	-	-
Term loan interest paid		(1,514,285)	(1,410,065)	-	-
Revolving credit interest paid		(146,123)	(60,575)	-	-
Discount paid on bankers' acceptances		(178,728)	(53,670)	-	-
Hire-purchase interest paid		(13,075)	(23,556)	-	-
Repayment to Directors		(34,300)	(34,800)	-	(500)
Proceed from issuance of share options to the employees		-	214	-	214
Net cash from/(used in) financing activities		4,616,116	(6,631,586)	-	(286)
Net (decrease)/increase in cash and cash equivalents		(1,323,659)	4,442,935	(102,415)	104,674
Cash and cash equivalents at beginning of financial year		8,034,276	3,591,341	111,659	6,985
Cash and cash equivalents at end of financial year	19	6,710,617	8,034,276	9,244	111,659

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

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad.

The registered office and 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 ("RM"), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 29 June 2009.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 8 to the financial statements.

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

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") in Malaysia and the provisions of the Companies Act, 1965.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

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

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Basis of consolidation (continued)

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) recognise immediately in income statement any excess remaining after that reassessment.

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Basis of consolidation (continued)

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

For purchases of a subsidiary's equity shares from minority shareholders for cash consideration and the purchase price is established at fair value, the accretion of the Group's interests in the subsidiary is treated as purchase of equity interest under the acquisition method of accounting. The identifiable assets and liabilities acquired are adjusted to their fair values, with the resulting difference being attributed to goodwill or excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of business combination (previously known as negative goodwill).

When a subsidiary issues new equity shares to minority interests for cash consideration and at fair value, the reduction in the Group's interests in the subsidiary should be treated as disposal of equity interests for which the gain or loss should be recorded in the consolidated income statement. The gain or loss on disposal is the difference between the Group's share of net assets immediately before and immediately after disposal and a ratable portion of goodwill which is realised.

For purchases or disposals from or to minority shareholders for consideration other than cash and not at fair value, the accretion or dilution of the Group's interests is treated as an equity transaction between the Group and its minority shareholders. The difference between the Group's share of net assets immediately before and immediately after the change in stakes, and any consideration received or paid is adjusted against the Group's reserves.

All other changes in stakes and changes in composition of the Group are treated as equity transactions between the Group and its majority and minority shareholders. The difference between the Group's share of net assets before and after the change, and any consideration received or paid is adjusted to or against the Group's reserves.

4.3 Investments

4.3.1 Subsidiaries

A subsidiary is an entity in which the Group and the Company has power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting of rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less accumulated impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Investments (continued)

4.3.2 Other investments

Non-current investment other than investments in subsidiaries and investment properties are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Marketable securities are carried at the lower of cost and market value, determined on a aggregate portfolio basis by category of investment. Market value is calculated by reference to quoted market selling price at the close of business on the balance sheet date.

Upon disposal of such investment are the difference between net disposal proceeds and its carrying amount is recognised in income statement.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful lives, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

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

Freehold land is not depreciated as it has an infinite life. Construction-in-progress represents farm house construction-in-progress and is stated at cost. Construction-inprogress is not depreciated until such time when the asset is available for use.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Property, plant and equipment and depreciation (Continued)

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write-down is made if the carrying amount exceeds the recoverable amount (see Note 4.10 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in income statement.

4.5 Property development activities

4.5.1 Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

4.5.2 Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

When revenue recognised in income statement exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in income statement, the balance is classified as progress billings under current liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

4.7 Investment properties

Investment properties are properties which are held to earn rentals yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value. The fair value of investment properties are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the balance sheet date, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair values of investment properties are arrived at by reference to market evidence of transaction prices for similar properties. It is performed by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in income statement in the year in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in income statement in the period of the retirement or disposal.

4.8 Leases and hire-purchase

4.8.1 Finance leases and hire-purchase

Assets acquired under finance leases and hire-purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.8 Leases and hire-purchase (continued)

4.8.1 Finance leases and hire-purchase (continued)

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in income statement over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire-purchase liabilities.

4.8.2 Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4.8.3 Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted as prepaid lease payments and are amortised over the lease term on a straight line basis.

The buildings element is classified as a finance or operating lease in accordance with Note 4.8.1 or Note 4.8.2 to the financial statements. If the lease payment cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

Leasehold golf course and club building which has a remaining lease period of 41 years are amortised over the original period of 54 years.

4.9 Deferred plantation expenditure

New planting expenditure which is incurred from land clearing to the point of harvesting and replanting expenditure which is incurred in replanting old planted areas, are capitalised under deferred plantation expenditure and amortised to the income statement on a systematic basis of 10 years commencing from the year of harvesting.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries), inventories, property development costs, assets arising from construction contract, deferred tax assets, and investment properties measured at fair value, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit and loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit and loss immediately.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only 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. Such reversals are recognised as income immediately in the profit and loss.

4.11 Inventories

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

Cost is determined using the first-in, first-out basis and comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition.

The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

4.12.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in income statement. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Receivables

Trade and other receivables, including amounts owing by related parties, are classified as loans and receivables under FRS 132 *Financial Instruments: Disclosure and Presentation.*

Receivables are carried at anticipated realisable value. Bad debts are written off to the income statement in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short-term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(c) Payables

Liabilities for trade and other amounts payable including amounts owing to related parties are recognised at fair value of the consideration to be paid in the future for goods and services received.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.12 Financial instruments (continued)

4.12.1 Financial instruments recognised on the balance sheets (continued)

(d) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

Interest relating to financial liabilities is reported within finance cost in the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the balance sheet date.

(e) Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.12.2 Financial instruments not recognised on the balance sheets

There are no financial instruments not recognised on the balance sheets.

4.13 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.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.14 Employee benefits

4.14.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave and bonuses and non-monetary benefits are recognised as an expense in the year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

4.14.2 Defined contribution plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

4.14.3 Share-based payments

The Group operates an equity-settled share-based compensation plan, allowing the employees of the Group to acquire ordinary shares of the Company at predetermined prices. The total fair value of share options granted to employees is recognised as an expense with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in income statement, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share options reserve until the options are exercised, upon which it will be transferred to share premium, or until the options expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

4.15 Income taxes

Income taxes include all domestic taxes on taxable profit. Income taxes also include real property gains taxes payable on disposal of properties, prior to 1 April 2007, if any.

Taxes in the income statement comprise current tax and deferred tax.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.15 Income taxes (continued)

4.15.1 Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

4.15.2 Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the income statement for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

4.16 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of completed properties

Revenue from sale of completed properties is recognised in the income statement when significant risks and rewards of ownership have been transferred to the customers.

(b) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is affected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the balance sheet date. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to-date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(c) Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

(d) Revenue from rendering of services

Revenue from the provision of tuition, sports and recreation services is recognised upon rendering of these services unless collectibility is in doubt.

(e) Construction contracts

Profits from contract works are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to-date against total estimated costs where the outcome of the project can be estimated reliably.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.17 Revenue recognition (continued)

(e) Construction contracts (continued)

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

(f) Sale of building materials and playground materials

Revenue from sale of building and playground materials are recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery of goods and acceptance by customers.

(g) Revenue from water theme park

Entrance fees collected for right of enjoyment of facilities are recognised when tickets are sold.

(h) Club subscription fees

Club subscription fees are recognised on the accrual basis.

(i) Rental income

Rental income is recognised on a straight line basis over the term of an ongoing lease.

(j) Dividend income

Dividend income is recognised when the right to receive payment is established.

(k) Interest income

Interest income is recognised as it accrues, using the effective interest method.

4.18 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to income statement. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income from temporary investment of the borrowing.

All other borrowing costs are recognised in income statement in the period in which they are incurred.

4.19 Earning per share

The Group presents basic and dilutive earning per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share calculation, the weighted average number of ordinary shares in issues is adjusted to assume conversion of all dilutive potential ordinary shares.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.20 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4.21 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRS

5.1 New FRSs and Amendment to FRS adopted

(a) The following FRSs and Amendment to FRS are mandatory for annual periods beginning on or after 1 July 2007:

FRS 107	*Cash Flow Statements*
FRS 111	*Construction Contracts*
FRS 112	*Income Taxes*
FRS 118	*Revenue*
FRS 120	*Accounting for Government Grants and Disclosure of Government Assistance*
Amendment to FRS 121	*The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation*

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRS (Continued)

5.1 New FRSs and Amendment to FRS adopted (continued)

(a) The following FRSs and Amendment to FRS are mandatory for annual periods beginning on or after 1 July 2007: (continued)

FRS 134	*Interim Financial Reporting*
FRS 137	*Provisions, Contingent Liabilities and Contingent Assets*

These FRSs align the Malaysian Accounting Standards Board ("MASB") FRSs with the equivalent International Accounting Standards ("IASs"), both in terms of form and content. The adoption of these Standards will only impact the form and content of disclosures presented in the financial statements.

FRS 120 and Amendment to FRS 121 are not relevant to the Group's operations.

(b) The following IC Interpretations are mandatory for annual periods beginning on or after 1 July 2007:

IC Interpretation 1	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*
IC Interpretation 2	*Members' Shares in Co-operative Entities and Similar Instruments*
IC Interpretation 5	*Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
IC Interpretation 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*
IC Interpretation 7	*Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies*

These IC Interpretations are not relevant to the Group's operations.

(c) IC Interpretations 8 *Scope of FRS 2 Share-based Payment* is mandatory for annual periods beginning on or after 1 July 2007.

This Interpretation applies to transactions in which goods or services are received, including transactions in which the entity cannot identify specifically some or all of the goods or services received. Where the fair value of the share-based payment is in excess of the identifiable goods or services received, the entire fair value of the share-based payment will be charged to income statement.

The adoption of this Interpretation has no impact on the share-based payment recognition and measurement in the financial statements.

(d) *Framework for the Preparation and Presentation of Financial Statements* ('Framework') is effective for annual periods beginning on or after 1 July 2007.

The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not a MASB approved FRS as defined in paragraph 11 of FRS 101 Presentation of Financial Statements and hence, does not define standards for any particular measurement or disclosure issue.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRS (Continued)

5.2 New FRSs not adopted

(a) FRS 8 *Operating Segments* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers. The requirements of this standard are based on the information about the components of the entity that management uses to make decisions about operating matters. The standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

The standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this standard.

The adoption of this standard will only impact the form and content of disclosures and presentation of the Group's financial statements.

(b) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202_{2004} *General Insurance Business* and FRS 203_{2004} *Life Insurance Business.*

The standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. The standard prohibits provisions for potential claims under contracts that are not in existence at the reporting date, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. The standard also requires an insurer to keep insurance liabilities in its balance sheet until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

FRS 4 is not relevant to the Group's operations.

(c) FRS 7 *Financial Instruments:* Disclosures and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation.*

The standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance. By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 *Accounting Policies, Change in Accounting Estimates and Errors* is not disclosed.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRS (Continued)

5.2 New FRSs not adopted (continued)

(c) FRS 7 *Financial Instruments:* Disclosures and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation.* (continued)

The standard requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe the management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information on the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

(d) FRS 123 *Borrowing Costs* and the consequential amendments resulting from FRS 123 are mandatory for annual periods beginning on or after 1 January 2010.

This Standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this standard.

(e) FRS 139 *Financial Instruments: Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

The standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the consolidated financial statements upon first adoption of the standard as required by paragraph 30(b) of FRS 108 *Accounting Policies, Change in Accounting Estimates and Errors* is not disclosed.

(f) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations* are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Standard.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRS (Continued)

5.2 New FRSs not adopted (continued)

(g) Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards* and FRS 127 *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* is mandatory for annual periods beginning on or after 1 January 2010

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

(h) IC Interpretation 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation.

(i) IC Interpretation 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation in the future.

(j) IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Company receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

If the Company grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Company to recognise the equity reserve for the obligation to deliver the equity instruments when needed whilst the subsidiaries shall recognise the remuneration expense for the services received from employees.

If the subsidiaries grant rights to equity instruments of the Company to its employees, this Interpretation requires the Company to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRS (Continued)

5.2 New FRSs not adopted (continued)

(k) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

If the Group supplies the awards itself, the consideration allocated to the award credits shall only be recognised as revenue when the award credits are redeemed. If a third party supplies the awards, the Group shall assess whether it is acting as a principal or agent in the transaction.

If the Group is acting as the principal in the transaction, it shall measure its revenue as the gross consideration allocated to the award credits. If the Group is acting as an agent, it shall measure its revenue as the net amount retained on its own account, and recognise the net amount as revenue when the third party becomes obliged to supply the awards and entitled to receive the consideration for doing so.

(l) IC Interpretation 14 FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other longterm employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the balance sheet date less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contributions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial year.

The Group does not expect any impact on the consolidated financial statements arising from the adoption of this Interpretation.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matter in the ordinary course of the business.

6.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation and amortisation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful live. Management estimates the useful lives based on common life expectancies applied in the industry. Change in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; and therefore future depreciation and amortisation charges could be revised.

(b) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

6.2 Key sources of estimation uncertainty (continued)

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances and agriculture allowances to the extent that it is probable that taxable profit will be available against which the tax losses, capital and agriculture allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(d) Allowances for doubtful debts

The Group makes allowances for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicated that the carrying amounts may not be recoverable. The management specifically analyse historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of allowance for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

(e) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination may be different from the initial estimate. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. When the final tax outcome is different from the amount that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicables, in the period in which such determination is made.

(f) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

(g) Write-down for obsolete or slow-moving inventories

The Group writes down its obsolete or slow-moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the writedown for obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

(h) Impairment of assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the Cash Generating Unit ("CGU") to which the asset is allocated, the Directors and management is required to make an estimate of the expected future cash flows from the CGU and also to apply a suitable discount rate in order to determine the present value of those cash flows.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

6.2 Key sources of estimation uncertainty (continued)

(i) Employee share options scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date at which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including volatility and dividend yield. The assumptions and model used are disclosed in the Note 36 to the financial statements.

(j) Fair value of investment properties

The fair value of each investment properties is individually determined by independent registered valuer based on Cost and Investment Methods of valuation. The valuer has relied on the discounted cash flow analysis and the comparison method. These methodologies are based upon estimates of future results and a set of assumptions specific to each property to reflect its income and cash flow profile.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2009	Freehold land RM	Buildings RM	Renovation, electrical and amusement equipment RM	Motor vehicles RM	Motor vehicles under hire-purchase RM	Furniture, fittings and equipment RM	Sports equipment, machinery and others RM	Construction in-progress RM	Total RM
Carrying amount									
At 1 March	24,518,777	17,169,479	3,134,561	267,389	223,100	3,017,185	8,731,524	34,266	57,096,281
Additions	-	13,745	202,274	6,171	-	589,551	348,689	2,210	1,162,640
Write-offs	-	-	(60,847)	-	-	(3,800)	(79,988)	-	(144,635)
Disposals	-	-	-	-	-	(425)	-	-	(425)
Depreciation charge for the financial year	-	(949,717)	(495,846)	(119,025)	(121,200)	(541,504)	(1,092,787)	-	(3,320,079)
Reclassification	-	36,476	-	-	-	-	-	(36,476)	-
At 28 February	24,518,777	16,269,983	2,780,142	154,535	101,900	3,061,007	7,907,438	-	54,793,782
At 28 February									
Cost	24,518,777	20,018,081	6,794,045	2,016,907	606,000	9,503,979	15,332,816	-	78,790,605
Accumulated depreciation	-	(3,748,098)	(4,013,903)	(1,862,372)	(504,100)	(6,442,972)	(7,425,378)	-	(23,996,823)
Carrying amount	24,518,777	16,269,983	2,780,142	154,535	101,900	3,061,007	7,907,438	-	54,793,782

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group 2008	Freehold land RM	Buildings RM	Renovation, electrical and amusement equipment RM	Motor vehicles RM	Motor vehicles under hire-purchase RM	Furniture, fittings and equipment RM	Sports equipment, machinery and others RM	Construction in-progress RM	Total RM
Carrying amount									
At 1 March	31,652,557	16,010,681	3,457,810	272,715	353,500	2,720,611	9,038,238	-	63,506,112
Additions	-	356,727	176,133	112,600	-	820,393	780,485	34,266	2,280,604
Transfer from property development costs (Note 15)	-	1,452,582	-	-	-	-	-	-	1,452,582
Transfer to land held for property development (Note 10)	(7,133,780)	-	-	-	-	-	-	-	(7,133,780)
Disposals	-	-	(387)	-	-	(5,068)	(1,385)	-	(6,840)
Depreciation charge for the financial year	-	(674,761)	(489,684)	(117,926)	(130,400)	(515,738)	(1,048,739)	-	(2,977,248)
Written off	-	-	(9,311)	-	-	(3,413)	(12,425)	-	(25,149)
Reclassification	-	24,250	-	-	-	400	(24,650)	-	-
At 29 February	24,518,777	17,169,479	3,134,561	267,389	223,100	3,017,185	8,731,524	34,266	57,096,281
At 29 February									
Cost	24,518,777	19,967,860	6,672,039	2,010,736	606,000	8,930,893	15,107,479	34,266	77,848,050
Accumulated depreciation	-	(2,798,381)	(3,537,478)	(1,743,347)	(382,900)	(5,913,708)	(6,375,955)	-	(20,751,769)
Carrying amount	24,518,777	17,169,479	3,134,561	267,389	223,100	3,017,185	8,731,524	34,266	57,096,281

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company **2009**	**Furniture, fittings and equipment RM**
Carrying amount	
At 1 March	1,998
Depreciation charge for the financial year	(594)
At 28 February	1,404
At 28 February	
Cost	8,633
Accumulated depreciation	(7,229)
Carrying amount	1,404

Company **2008**	**Furniture, fittings and equipment RM**
Carrying amount	
At 1 March	593
Additions	2,000
Depreciation charge for the financial year	(595)
At 29 February	1,998
At 29 February	
Cost	8,633
Accumulated depreciation	(6,635)
Carrying amount	1,998

Certain freehold land and buildings of the Group with net book value of RM2,946,808 (2008: RM1,083,664) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Notes 23 and 25 to the financial statements.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009 RM	**2008 RM**
Unquoted shares, at cost	116,917,599	116,917,599

8. INVESTMENTS IN SUBSIDIARIES (Continued)

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

Name of company	Group's effective Interest 2009 %	2008 %	Principal activities
Subsidiaries of the Company			
Eupe Realty Sdn. Bhd.	100	100	Property investment and management
Riacon Sdn. Bhd.	100	100	Building construction and sale 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
Puncak Central Sdn. Bhd.#	100	100	Dormant
Eupe Homes (MM2H) Sdn. Bhd.*	100	100	Provision of services allowed under MM2H to non residents
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 and restaurant operation, recreation and tour services
Subsidiary of Eupe Kemajuan Sdn. Bhd.			
Eupe Development Sdn. Bhd.*	60	60	Property development
Subsidiary of Bukit Makmur Sdn. Bhd.			
Makmur Longan Farming Sdn. Bhd.*	70	70	Fruit cultivation
Subsidiary of Eupe Hotel Sdn. Bhd.			
Millennium Pace Sdn. Bhd.*	100	100	Fruit cultivation
Subsidiary of Eupe Golf Recreation & Tour Sdn. Bhd.			
Tadika Pro-Dedikasi Sdn. Bhd.*	51	51	Operating and management of a kindergarten

* *Companies not audited by BDO Binder*

\# In the previous financial year, the Company acquired 100% equity interest in Puncak Central Sdn. Bhd. comprising 2 ordinary shares of RM1 each for a cash consideration of RM2 on 28 November 2007.

8. INVESTMENTS IN SUBSIDIARIES (Continued)

The effects of the acquisition on the financial results of the Group during the previous financial year were as follows:

	2008 RM
Revenue	-
Net loss for the financial year	(101,193)

The acquisition had the following effects on the Group's assets and liabilities on acquisition date:

	Acquiree's carrying amount RM	Fair value recognised upon acquisition RM
Cash in hand	2	2
Total net assets	2	2
Purchase consideration discharged by cash:		2
Less: Cash and cash equivalents of the subsidiary		(2)
Cash out flow on acquisition, net of cash and cash equivalent acquired		-

9. OTHER INVESTMENTS

	Group	
	2009 RM	2008 RM
Quoted in Malaysia, at cost		
Investment in fixed income unit trusts	152,538	11,257
Market value of fixed income unit trusts	152,538	11,257

10. LAND HELD FOR PROPERTY DEVELOPMENT

	NOTE	Group 2009 RM	2008 RM
Cost			
Balance as at 1 March		136,059,922	106,269,648
Additions during the financial year		7,636,133	19,699,546
Transferred (to)/from property development costs	15	(32,681,869)	3,082,808
Transferred from property, plant and equipment	7	-	7,133,780
Transferred from inventories		183,901	-
Recognised in income statement		-	(125,860)
Balance as at 28/29 February		111,198,087	136,059,922
Freehold land, at cost		78,768,717	98,232,173
Development cost		32,429,370	37,827,749
		111,198,087	136,059,922

Freehold land with cost of RM405,200 (2008: RM20,856,535) is registered under a third party's name. The title of the land will be transferred upon settlement of purchase consideration due to Perbadanan Kemajuan Negeri Kedah as disclosed in Note 28 to the financial statements.

Freehold land at cost of RM7,133,780 which was transferred from property, plant and equipment during the last financial year is pending issuance of the title by the relevant authority.

Certain land under development with a carrying value of RM55,104,698 (2008: RM35,922,288) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Notes 22 and 23 to the financial statements.

Included in the development costs are late payment charges paid to a land owner capitalised at 8% (2008: 8%) per annum during the financial year amounting to RM148,084 (2008: RM819,841).

11. INVESTMENT PROPERTIES

	Group	
	2009 RM	2008 RM
Balance as at 28/29 February	21,057,000	21,057,000

The Group does not have investment properties which are held under lease terms.

An updated valuation was carried out by independent registered valuer, Intraharta Consultants (North) Sdn. Bhd. as at 28 February 2009 based on the Cost and Investment Methods of Valuation, which indicate that there is no significant change to the fair value of the Group's investment properties.

Included in investment properties are freehold land and building with total carrying value of RM13,740,000 (2008: RM13,740,000) which have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Notes 23, 24 and 26 to the financial statements.

12. PREPAID LEASE PAYMENTS FOR LAND

	Group	
Short term leasehold land (unexpired period less than 50 years)	**2009 RM**	**2008 RM**
Cost		
Balance as at 28/29 February	40,000,000	40,000,000
Accumulated amortisation		
Balance as at 1 March	8,848,485	8,107,743
Charge during the financial year	740,741	740,742
Balance as at 28/29 February	9,589,226	8,848,485
Carrying amount	30,410,774	31,151,515

Prior to 1 March 2007, the Group had classified a lease of land as finance lease and had recognised the amount of prepaid lease payments as property within its property, plant and equipment. On adoption of FRS 117 Leases, the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as prepaid lease payments for land in accordance with the transitional provisions in FRS 117 Leases and are amortised over the remaining lease periods of the respective leases.

The reclassifications were accounted for retrospectively in the financial year ended 29 February 2008 where certain comparatives were restated in the financial statements for that year. There was no financial impact on the income statements.

13. DEFERRED PLANTATION EXPENDITURE

	Group	
	2009 RM	2008 RM
Cost		
Balance as at 1 March	1,248,940	1,153,026
Additions during the financial year	-	95,914
	1,248,940	1,248,940
Amortisation		
Balance as at 1 March	94,522	43,774
Amortisation charge for the financial year	124,894	50,748
	(219,416)	(94,522)
Balance as at 28/29 February	1,029,524	1,154,418

14. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The following amounts, determined after appropriate offsetting, are shown in the balance sheet.

	Group	
	2009 RM	2008 RM
Deferred tax assets, net	(1,750,654)	(1,880,395)
Deferred tax liabilities, net	18,257,642	18,614,420
	16,506,988	16,734,025

14. DEFERRED TAX (Continued)

(a) Movement in deferred tax during the years are as follows:

	Group	
	2009 RM	**2008 RM**
Balance as at 1 March	16,734,025	19,944,903
Recognised directly in equity		
- Effect of changes in tax rate	-	(1,046,685)
	-	(1,046,685)
Recognised in income statement		
- crystallisation of deferred tax on revaluation surplus arise from prepaid lease payments for land	224,949	(935,098)
- crystallisation of deferred tax on revaluation surplus arise from subsidiaries' development properties	(755,797)	-
- excess of capital allowances over corresponding depreciation	174,043	32,778
- Deferred plantation expenditure	32,145	6,896
- unabsorbed agricultural allowance	(51,778)	(72,466)
- unabsorbed capital allowances	184,105	248,085
- unabsorbed tax losses	(206,934)	(129,169)
- provisions	481,150	(1,025,000)
- other deductible temporary differences	(308,920)	(290,219)
	(227,037)	(2,164,193)
Balances as at 28/29 February	16,506,988	16,734,025

(b) The components of the deferred tax assets and liabilities at the end of the financial year comprise tax effects of:

	Group	
	2009 RM	**2008 RM**
Deferred tax assets		
Unabsorbed capital allowance	435,901	620,006
Unabsorbed agricultural allowance	262,770	210,992
Unabsorbed tax losses	506,091	299,157
Provisions	543,850	1,025,000
Other deductible temporary differences	1,044,050	735,130
Deferred tax assets (before offsetting)	2,792,662	2,890,285
Offsetting	(1,042,008)	(1,009,890)
Deferred tax assets (after offsetting)	1,750,654	1,880,395

14. DEFERRED TAX (Continued)

(b) The components of the deferred tax assets and liabilities at the end of the financial year comprise tax effects of (continued):

	Group	
	2009 RM	**2008 RM**
Deferred tax liabilities		
Revaluation surplus arise from prepaid lease payments for land	7,652,329	7,427,380
Revaluation surplus arise from subsidiaries' development properties	9,452,632	10,208,429
Deferred plantations expenditure	295,600	263,455
Excess of capital allowances over corresponding depreciation	1,899,089	1,725,046
Deferred tax liabilities (before offsetting)	19,299,650	19,624,310
Offsetting	(1,042,008)	(1,009,890)
Deferred tax liabilities (after offsetting)	18,257,642	18,614,420

(c) Unrecognised deferred tax assets

The amounts of temporary differences for which no deferred tax assets have been recognised in the balance sheets are as follows:

	Group	
	2009 RM	**2008 RM**
Others deductable temporary differences	85,576	78,400

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit of certain subsidiaries will be available against which the deductible temporary differences can be utilised. The deductible temporary differences do not expire under the current tax legislation.

15. PROPERTY DEVELOPMENT COSTS

		Group	
	NOTE	**2009 RM**	**2008 RM**
Freehold land, at cost			
Balance as at 1 March		14,476,282	28,787,888
Transferred from/(to) land held for property development during the year	10	18,638,992	(3,340,619)
Transfer to inventories	16	-	(39,018)
Completed development project		(1,675,835)	(10,931,969)
Balance as at 28/29 February		31,439,439	14,476,282

15. PROPERTY DEVELOPMENT COSTS (Continued)

	NOTE	Group 2009 RM	2008 RM
Development expenditure			
Balance as at 1 March		75,687,025	165,452,523
Incurred during the financial year		75,209,350	89,255,048
Transferred from land held for property development during the year	10	14,042,877	257,811
Transfer to inventories	16	-	(369,972)
Transfer to property, plant and equipment	7	-	(1,452,582)
Completed development project		(41,767,066)	(177,455,803)
Balance as at 28/29 February		123,172,186	75,687,025
		154,611,625	90,163,307
Accumulated costs charged to income statement			
Balance as at 1 March		65,465,539	164,905,016
Cost charged to income statement for the financial year		68,601,452	88,948,295
Reversal of cost of completed development project		(43,442,901)	(188,387,772)
Balance as at 28/29 February		(90,624,090)	(65,465,539)
		63,987,535	24,697,768

Freehold land with cost of RM18,103,242 (2008: RMNil) is registered under a third party's name. The title of the land will be transferred upon settlement of purchase consideration due to Perbadanan Kemajuan Negeri Kedah as disclosed in Note 28 to the financial statements.

Freehold land at cost of RM2,221,513 as at 29 February 2008 was pledged to licensed banks for term loan facilities as disclosed in Note 23 to the financial statements.

Included in development costs is borrowing cost capitalised at rates ranging from 5.90% to 6.07% (2008: 5.86% to 5.90%) per annum during the financial year amounting to RM89,167 (2008: RM429,052).

Included in development costs is rental of equipment capitalised during the financial year amounting to RM493,961 (2008: RM736,979).

16. INVENTORIES

	Group	
	2009 RM	2008 RM
At cost		
Completed properties	9,782,459	10,800,108
Building materials	98,492	213,400
Food and beverages	401,673	426,686
Spare parts and consumables	42,043	34,722
	10,324,667	11,474,916

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables				
Third parties	15,305,313	22,505,278	-	-
Accrued billings in respect of property development	249,161	2,498,125	-	-
Less: Allowance for doubtful debts - Third parties	(76,574)	(88,745)	-	-
	15,477,900	24,914,658	-	-
Other receivables, deposits and prepayments				
Amounts owing by subsidiaries	-	-	38,638,228	39,099,319
Other receivables	943,880	954,641	8,986	-
Deposits	1,312,898	1,061,199	4,500	4,500
Prepayments	154,961	157,374	-	-
	2,411,739	2,173,214	38,651,714	39,103,819
	17,889,639	27,087,872	38,651,714	39,103,819

(a) The credit term of trade receivables granted by the Group is 21 days (2008: 21 days) from date of progress billings or range from 30 to 90 days (2008: 30 to 90 days) from date of invoice.

(b) The allowance for doubtful debts of the Group is net of bad debts written off amounting to RMNil (2008: RM33,260).

(c) The amounts owing by subsidiaries are unsecured, interest-free and repayable upon demand.

(d) Information on financial risk of trade and other receivables are disclosed in Note 40 to the financial statements.

18. SINKING AND REDEMPTION FUNDS

The sinking and redemption funds of the Group 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.

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Fixed deposits with licensed banks	2,417,865	3,059,490	-	-
Cash and bank balances	7,275,536	8,042,803	9,244	111,659
As reported in the balance sheets	9,693,401	11,102,293	9,244	111,659
Less: Bank overdrafts (Note 22)	(2,335,940)	(2,011,017)	-	-
Fixed deposits pledged with licensed banks	(646,844)	(1,057,000)	-	-
As reported in cash flow statements	6,710,617	8,034,276	9,244	111,659

(a) Included in the Group's cash and bank balances is an amount of RM5,632,387 (2008: RM6,054,724) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966.

(b) The fixed deposits of the Group have maturity periods ranging between 14 to 365 days (2008: 14 to 365 days). Bank balances are deposits held at call with banks.

(c) Included in fixed deposits with licensed banks of the Group is an amount of RM646,844 (2008: RM1,057,000) pledged to licensed banks for bank guaranteed facilities granted to the Group.

(d) The weighted average interest rate per annum of fixed deposits that was effective as at balance sheet date is as follows:

	Group	
	2009 %	2008 %
Fixed deposits with licensed banks	3.57	3.43

(e) Information on repricing analysis of cash and cash equivalents are disclosed in Note 40 to the financial statements.

20. SHARE CAPITAL

	Group and Company			
	2009		2008	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM1.00 each:				
Authorised	300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid-up	128,000,000	128,000,000	128,000,000	128,000,000

21. RESERVES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-distributable:				
Share premium	5,982,397	5,982,397	5,982,397	5,982,397
Share options reserve	1,913,800	1,377,000	1,913,800	1,377,000
	7,896,197	7,359,397	7,896,197	7,359,397
Distributable:				
Retained earnings	95,810,485	90,919,184	13,078,623	13,095,808
	103,706,682	98,278,581	20,974,820	20,455,205

(a) Share options reserve

The share options reserve represents the equity-settled options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant date of share options.

When the share options are exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share options reserve is transferred to retained earnings.

(b) Retained earnings

Effective 1 March 2008 (year of assessment 2009), the Company is given the option to make an irrecoverable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest, by 31 December 2013.

The Company has decided not to make this election and has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account of RM607,780 to frank the payment of dividends out of its entire retained earnings without incurring additional tax liabilities.

22. BORROWINGS

	NOTE	Group 2009 RM	Group 2008 RM
Current			
Secured			
Term loans	23	7,099,459	5,429,654
Revolving credits	24	4,100,000	-
Bank overdrafts	25	1,969,290	2,011,017
Bankers acceptance	26	3,301,000	2,244,000
Hire-purchase liabilities	27	111,957	225,063
		16,581,706	9,909,734
Unsecured			
Term loans		893,971	1,732,862
Revolving credits		3,000,000	3,500,000
Bank overdrafts		366,650	-
		4,260,621	5,232,862
Total current portion		20,842,327	15,142,596
Non-current			
Secured			
Term loans	23	6,781,501	6,555,231
Hire-purchase liabilities	27	-	111,957
		6,781,501	6,667,188
Unsecured			
Term loans		2,093,148	1,079,640
Total non-current portion		8,874,649	7,746,828
Total borrowings		29,716,976	22,889,424

22. BORROWINGS (Continued)

	NOTE	Group 2009 RM	Group 2008 RM
Secured			
Term loans	23	13,880,960	11,984,885
Revolving credits	24	4,100,000	-
Bank overdrafts	25	1,969,290	2,011,017
Bankers' acceptance	26	3,301,000	2,244,000
Hire-purchase liabilities	27	111,957	337,020
		23,363,207	16,576,922
Unsecured			
Term loans		2,987,119	2,812,502
Revolving credits		3,000,000	3,500,000
Bank overdrafts		366,650	-
		6,353,769	6,312,502
Total borrowings		29,716,976	22,889,424

23. TERM LOANS

Secured	Group 2009 RM	Group 2008 RM
(a) Term loan I repayable by 132 monthly instalments of RM47,851 each commencing June 1996	-	19,752
(b) Term loan II repayable by 96 monthly instalments of RM267,183 each commencing March 2004	4,048,733	6,854,022
(c) Term loan III repayable by 36 monthly instalments of RM222,222 each commencing February 2007	2,444,445	5,111,111
(d) Term loan IV repayable by 60 monthly instalments of RM120,228 each commencing April 2008	5,154,268	-
(e) Term loan V repayable by 60 monthly instalments of RM52,099 each commencing April 2008	2,233,514	-
	13,880,960	11,984,885

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

(i) certain freehold land and buildings as disclosed in Note 7 to the financial statements;

(ii) certain freehold land as disclosed in Notes 10 and 15 to the financial statements; and

(iii) certain investment properties as disclosed in Note 11 to the financial statements.

23. TERM LOANS (Continued)

Repayment terms

The term loans are repayable by instalments of varying amounts over the following periods:

	Group	
	2009	**2008**
	RM	**RM**
Not later than 1 year	7,993,430	7,162,516
1-2 years	4,831,491	6,501,091
2-3 years	1,816,152	1,133,780
3-4 years	1,934,425	-
4-5 years	292,581	-
	16,868,079	14,797,387

The term loans bear interest at 6.30% to 8.50% (2008: 7.05% to 8.50%) per annum.

The weighted average interest rate per annum of term loans that was effective as at balance sheet date is as follows:

	Group	
	2009	**2008**
	%	**%**
Term loans	6.76	7.97

Information on repricing analysis of term loans is disclosed in Note 40 to the financial statements.

24. REVOLVING CREDITS - SECURED

The revolving credits of the Group are secured by way of legal charges over certain investment properties (Note 11 to the financial statements).

The weighted average interest rate per annum of revolving credit that was effective as at balance sheet date is as follows:

	Group	
	2009	**2008**
	%	
Revolving credits	5.49	5.66

Information on repricing analysis of revolving credit is disclosed in Note 40 to the financial statements.

25. BANK OVERDRAFTS - SECURED

The bank overdrafts of the Group are secured by first legal charges over certain freehold land of the Group with net book value of RM2,946,808 (2008: RM1,083,664) and corporate guarantees issued by the Company.

The weighted average interest rate per annum of bank overdrafts that was effective as at balance sheet date is as follows:

	Group	
	2009	**2008**
	%	**%**
Bank overdrafts	8.25	8.25

Information on repricing analysis of bank overdrafts is disclosed in Note 40 to the financial statements.

26. BANKERS' ACCEPTANCES

The bankers' acceptances of the Group are secured by way of legal charges over certain investment properties (Note 11 to the financial statements) and corporate guarantees issued by the Company.

The weighted average interest rate per annum of bankers' acceptances that was effective as at balance sheet date is as follows:

	Group	
	2009	**2008**
	%	**%**
Bankers' acceptances	5.64	5.94

Information on repricing analysis of bankers' acceptances is disclosed in Note 40 to the financial statements.

27. HIRE-PURCHASE LIABILITIES

	Group	
	2009 RM	2008 RM
Minimum hire-purchase payments:		
- not later than one (1) year	114,520	238,139
- later than one (1) year and not later than two (2) years	-	114,520
	114,520	352,659
Less: Future interest charges	(2,563)	(15,639)
Present value of hire-purchase liabilities	111,957	337,020
Repayable as follows:		
Current liabilities		
- not later than one (1) year	111,957	225,063
Non-current liabilities		
- later than one (1) year and not later than two (2) years	-	111,957
	111,957	337,020

The weighted interest rate per annum of hire-purchase liabilities that was effective as at balance sheet date were as follows:

	Group	
	2009 %	2008 %
Hire-purchase liabilities	4.72	5.15

Information on repricing analysis of hire-purchase liabilities is disclosed in Note 40 to the financial statements.

28. TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade payables				
Third parties	15,180,945	16,121,429	-	-
Progress billings in respect of property development	11,234,447	3,163,746	-	-
	26,415,392	19,285,175	-	-
Other payables				
Amounts owing to subsidiaries	-	-	6,840,916	7,861,889
Amounts owing to Directors	48,900	83,200	-	-
Other payables and accruals	15,147,565	29,789,312	66,486	52,500
Member deposits	2,327,450	2,377,800	-	-
	17,523,915	32,250,312	6,907,402	7,914,389
	43,939,307	51,535,487	6,907,402	7,914,389

(a) The credit terms available to the Group in respect of trade payables range from 30 to 90 days (2008: 30 to 90 days) from date of invoice.

(b) The amounts owing to subsidiaries are payments made on behalf which are unsecured, interest free and repayable on demand.

(c) The amounts owing to Directors represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand.

(d) Included in other payables of the Group is an amount of RM8,911,806 (2008: RM23,747,761) owing to Perbadanan Kemajuan Negeri Kedah ("PKNK") in relation to the acquisition of certain freehold land of which the Sale and Purchase Agreement and Supplemental Agreement were signed on 17 October 2001, 20 March 2003 and 27 June 2003 respectively as disclosed in Notes 10 and 15 to the financial statements. The amounts owing to PKNK is unsecured, and repayable on demand except for RM405,200 (2008:RM13,722,755) which is subject to interest of 8% (2008: 8%) per annum.

(e) Included in member deposits of the Group is a balance of RM997,000 (2008: RM1,178,500) which are transferable.

(f) Information on financial risk of trade and other payables is disclosed in Note 40 to the financial statements.

29. PROVISION FOR INFRASTRUCTURE COST

	Group	
	2009 RM	2008 RM
Balance as at 1 March	4,100,000	204,800
Addition	-	4,100,000
Provision reversed during the financial year	-	(204,800)
Utilisation during the financial year	(1,924,599)	-
Balance as at 28/29 February	2,175,401	4,100,000

The provision for infrastructure cost made in the previous financial year was in respect of a housing development project undertaken by a subsidiary for which the subsidiary is legally obligated to incur to meet the requirements of the house buyers' agreements for the completion of the development projects.

30. REVENUE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Gross dividend income from subsidiaries	-	-	700,000	11,599,515
Revenue from development properties	81,261,964	108,367,510	-	-
Revenue from water theme park operations	3,177,790	3,377,850	-	-
Sale of completed properties	757,396	2,012,940	-	-
Sale of building materials	26,220,251	24,080,441	-	-
Sale of goods	6,479,412	7,590,912	-	-
Rental income	5,090,503	5,058,723	-	-
Sports and recreation services	1,983,991	1,746,168	-	-
Subscription and entrance fees	820,665	884,850	-	-
Tuition fees	349,605	328,730	-	-
Sales of fruits and other supplies	128,370	176,380	-	-
	126,269,947	153,624,504	700,000	11,599,515

31. COST OF SALES

	Group	
	2009 RM	2008 RM
Building material sold	24,163,222	17,331,367
Property development cost	68,601,452	88,948,295
Completed properties	687,705	1,208,090
Services rendered	11,537,129	11,917,882
Other	838,642	1,128,069
	105,828,150	120,533,703

32. PROFIT BEFORE TAX

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
Profit before tax is arrived at after charging:					
Allowance for doubtful debts		-	54,206	-	-
Amortisation of leasehold golf course and club buildings	12	740,741	740,742	-	-
Amortisation of deferred plantation expenditure	13	124,894	50,748	-	-
Auditors' remuneration:					
- current year		125,650	116,750	32,000	30,000
- under-provision in prior year		4,500	500	2,000	-
Bad debts written off		126,558	9,411	-	-
Depreciation of property, plant and equipment	7	3,320,079	2,977,248	594	595
Directors' emoluments paid/ payable to:					
Executive directors:					
- emoluments other than fee:					
-paid/payable by the Company		141,000	220,998	250,077	220,998
-paid/payable by subsidiaries		1,406,543	1,475,171	-	-
Non-executive directors:					
- emoluments other than fee paid/ payable by the Company		113,500	127,996	-	127,996

32. PROFIT BEFORE TAX (Continued)

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Interest expense on:					
- bankers' acceptances		178,728	53,670	-	-
- bank overdraft		161,995	119,537	-	-
- hire-purchase liabilities		13,075	23,556	-	-
- term loans		1,501,765	1,301,124	-	-
- revolving credit		-	60,575	-	-
- others		18,520	-		
Liquidated and ascertained damages expense		-	11,964	-	-
Loss on disposal of property, plant and equipment		-	4,740	-	-
Property, plant and equipment written off	7	144,635	25,149	-	-
Rental expense on:					
- premises		3,850	25,900	-	-
- equipment		1,998	64,017	-	-
And crediting:					
Allowance for doubtful debts no longer required		12,171	-	-	-
Bad debts recovered		1,449	-	-	-
Gross dividend income from					
-subsidiaries		-	-	700,000	11,599,515
-other investment		884	-	-	-
Gain on disposal of land held for property development		-	152,994	-	-
Gain on disposal of property, plant and equipment		75	-	-	-
Insurance compensation received		-	79,826	-	-
Interest income		291,801	383,941	-	33,300
Rental income from:					
-investment properties		1,141,101	1,216,846	-	-
-others		387,342	316,676	-	-

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to approximately RM366,514 (2008: RM455,903).

33. TAX EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current tax expense based on profit for the financial year:				
Malaysian income tax	2,302,289	7,382,663	85,499	3,506,015
Real property gain tax	-	231,013	-	-
(Over)/Under-provision in prior years:				
Malaysian income tax	(197,704)	297,942	21,760	(834)
	2,104,585	7,911,618	107,259	3,505,181
Deferred tax: (Note 14)				
Relating to origination and reversal of temporary differences	(83,572)	(1,577,847)	-	-
Relating to changes in tax rates	-	(306,412)	-	-
Over provision in prior years	(143,465)	(279,934)	-	-
	(227,037)	(2,164,193)	-	-
Total tax expense	1,877,548	5,747,425	107,259	3,505,181

The Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profit for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the previous year's rate of 26% for the fiscal year of assessment 2008.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follow:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Tax at Malaysian statutory tax rate of 25% (2008: 26%)	1,720,586	4,954,767	22,519	2,843,516
Tax effect in respect of :				
Depreciation on non-qualifying property, plant and equipment	731	22,953	62,980	96,613
Deferred tax assets not recognised	1,794	1,900	-	-
Non-allowable expenses	532,144	1,149,944	-	-
Effect of changes in tax rates on opening balance of deferred tax	(4,911)	(311,409)	-	-
Reduction in statutory tax rate on chargeable income up to RM500,000 of certain subsidiaries	-	(126,820)	-	-

33. TAX EXPENSE (Continued)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Real property gain tax	-	60,063	-	-
Pre-acquisition profit set off against cost of investment in subsidiary	-	-	-	565,886
Income not subject to tax	(31,627)	(21,981)	-	-
	2,218,717	5,729,417	85,499	3,506,015
(Over)/Under-provision in prior years				
- income tax	(197,704)	297,942	21,760	(834)
- deferred tax	(143,465)	(279,934)	-	-
Tax expense	1,877,548	5,747,425	107,259	3,505,181

34. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share of the Group is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2009	2008
Profit attributable to ordinary equity holders of the Company (RM)	4,891,301	13,402,250
Number of ordinary shares in issue	128,000,000	128,000,00
Basic earnings per ordinary share (sen)	3.82	10.47

(b) Diluted

The diluted profit per ordinary shares for 2009 and 2008 are not presented as the average market value of the ordinary shares of the Company is lower than the exercise price for the outstanding ESOS and any exercise of the ESOS would result in anti-dilution.

35. EMPLOYEE BENEFITS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Operations				
- Salaries and wages	4,629,777	4,690,163	-	-
- Contributions to defined contribution plan	455,463	490,759	-	-
- Other benefits	702,405	569,106	-	-
	5,787,645	5,750,028		-
Sales, marketing and distribution				
- Salaries and wages	681,722	376,548	-	-
- Contributions to defined contribution plan	100,591	64,401	-	-
- Other benefits	211,414	198,950	-	-
	993,727	639,899	-	-
Administration				
- Salaries and wages	2,769,532	2,882,920	175,300	173,800
- Contributions to defined contribution plan	269,856	275,141	4,896	4,896
- Share options granted under Employee Share Options Scheme	536,800	1,377,000	127,917	230,243
- Other benefits	404,787	418,202	620	620
	3,980,975	4,953,263	308,733	409,559
	10,762,347	11,343,190	308,733	409,559

36. EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS")

The Employees' Share Options Scheme ("ESOS") was established and come into effect on 13 August 2007. The options to subscribe for up to 9,180,000 ordinary shares of RM1.00 each of the Company are available to eligible employees (including Directors) of the Group at an exercise price of RM1.00 per shares. The ESOS shall be in force for a period of five (5) years until 12 August 2012 (the option period). The main features of the ESOS are as follows:

(a) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one (1) year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the ESOS Committee appointed by the Board of Directors.

(b) The total number of options to be offered under the ESOS shall not exceed 15% of the issued and paid-up ordinary share capital of the Company at any one time during the existence of the ESOS.

36. EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS") (Continued)

(c) The option price of a new ordinary share under the ESOS shall be the higher of the weighted average market price of the Company's shares as shown in Daily Official List of Bursa Malaysia Securities Berhad ("Bursa") for the five (5) Market Days immediately preceding the Date of Offer subject to a discount for not more than 10% thereto to be decided by the ESOS Committee, or at the par value of the Company's shares whichever is higher.

(d) An option granted under ESOS shall be capable of being exercised by notice in writing to the Company before the expiry of five (5) years from the date of the offer or such shorter period. According to the letter of offer to the eligible employees, the option granted is valid for a period of three (3) years until 16 August 2010.

(e) The number of shares under the options or the option price or both so far as the options remain unexercised may be adjusted following any variation in the issued share capital of the Company by way of a capitalisation of profits or reserves or rights issue or a reduction, subdivision or consolidation of the Company's shares made by the Company.

(f) The shares under the options shall remain unissued until the options are exercised and shall on allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company provided that the new shares shall not be entitled to any dividends declared in respect of the particular financial year if the options related thereto are not exercised prior to or on the entitlement date and on a date during the financial year for which the dividend are declared in respect of and to any other distributions unless the options were exercised prior to or on the entitlement date.

(g) The persons to whom the options have been granted have no right to participate by virtue of the options, in any share issue of any other company.

(h) The options granted to the eligible employees to subscribe for new ordinary shares in the Company is subject to the allotment of shares in the following ratio:-

Year 1	Year 2	Year 3
60%	20%	20%

Where the maximum number of shares of the options exercisable for a period is not fully exercised, the balance number of shares not exercised shall be carried forward to the next period and shall not be subjected to the maximum number of shares for the next period.

The movements of the options over the unissued ordinary shares of RM1.00 each in the Company granted under the ESOS during the financial year are as follow:

	Number of options over ordinary shares of RM1.00 each					
	Outstanding as at 1.3.2008	Movement during the financial year			Outstanding as at 28.2.2009	Exercisable as at 28.2.2009
		Granted	Exercised	Lapsed		
2009						
2008 options	9,180,000	-	-	(978,000)	8,202,000	6,562,000
Average exercise prices (RM)	1.00	-	-	1.00	1.00	1.00
Remaining contractual life (months)	30					18

There were no new options granted since the end of the previous financial year.

36. EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS") (Continued)

	Number of options over ordinary shares of RM1.00 each					
	Outstanding as at 1.3.2007	Movement during the financial year			Outstanding as at 29.2.2008	Exercisable as at 29.2.2008
		Granted	Exercised	Lapsed		
2008						
2008 options	-	9,180,000	-	-	9,180,000	5,508,000
Average exercise prices (RM)	-	1.00	-	-	1.00	1.00
Remaining contractual life (months)	-					30

The details of share options outstanding at the end of the financial year are as follows:

	Weighted average exercise price RM	Exercise period
2009		
2008 options	1.00	13.8.2007 - 12.8.2010
2008		
2008 options	1.00	13.8.2007 - 12.8.2010

The fair value of share options granted in last financial year was estimated by the management using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2008
Fair value of share options at the grant dates of 13 August 2007 (RM)	0.25
Weighted average share price (RM)	0.73
Weighted average exercise price (RM)	1.00
Expected volatility (%)	61
Expected life (years)	3
Risk free rate (%)	3.58
Expected dividend yield (%)	-

37. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

(b) Significant related party transactions

Related parties of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 8 to the financial statement.

(ii) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Company and certain members of senior management of the Group.

The Group has related party' relationship with the following parties:

Substantial shareholder of the Company

- Perbadanan Kemajuan Negeri Kedah ("PKNK")
- Beh Heng Seong Sdn. Bhd.

Companies in which certain Directors of the Company have financial interests:

- Kam Pian Garden Development Sdn. Bhd.
- RJ Properties Sdn. Bhd.
- Cipta Dua Sdn. Bhd.
- Teccalibre Sdn. Bhd. ("TSB")

37. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions (continued)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Subsidiaries:				
Gross dividend income	-	-	700,000	11,599,515
A substantial shareholder*				
In respect of the acquisition of freehold land		-		
- interest charged for current financial year	160,604	1,131,546	-	-
- repayments during the financial year	13,317,555	500,000	-	-
In respect of the work done for external water reticulation	-	1,241,540	-	-
An entity controlled by a close member of the family of a Director				
Purchase of computer and software	1,440	46,515	-	-
Printing, stationary, repair and maintenance	15,522	40,171	-	-
Close members of the family of the Directors				
Advisory fees paid	240,000	240,000	-	-

* This is related to the purchase of freehold land from a substantial shareholder, PKNK in the previous financial years with total purchase consideration of RM26,527,600 out of which RM26,122,400 (2008: RM12,797,000) has been paid as at the balance sheet date. The purchase price was revised to RM26,527,600 from the original purchase consideration of RM26,000,000 in financial year 2005 based on the actual measurement of the land upon sub-division of land title. The balance payable to PKNK as at the end of the financial year is RM405,200 (2008: RM13,722,755).

The related party transactions described above were carried out on negotiated and mutually agreed terms and conditions.

37. RELATED PARTY DISCLOSURES (Continued)

(c) Compensation of key management personnel

The remuneration of key management personnel (including Directors of the Company) during the financial year was as follows:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short term employee benefits	653,000	914,311	29,000	41,000
Contributions to defined contribution plans	98,520	104,808	-	-
Share options granted under ESOS	100,000	179,998	100,000	179,998
	851,520	1,199,117	129,000	220,998

Executive Directors of the Group and of the Company and other key management personnel have been granted the following number of options under the ESOS:

	Group and Company	
	2009 Units	2008 Units
Balance as at 1 March/28 February	1,200,000	1,200,000

The terms and conditions of the share options are detailed in Note 36 to the financial statements.

38. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2009 RM	2008 RM
Corporate guarantees for bank facilities granted to subsidiaries		
- Amount utilised	30,076,000	23,134,000
Total credit facilities available to subsidiaries which are guaranteed by the Company	73,690,000	68,190,000

39. SEGMENT REPORTING

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risk and returns are affected predominantly by differences in the products and services it produces. Segmental analysis by geographical location is not presented as the Group's operations are located mainly in Malaysia.

(b) Business segments

The Group is organised into three (3) main business segments.

Property development	:	Development of residential and commercial properties.
Chalet and golf operation and management	:	Operation and management of chalet, restaurant, golf club operations and recreation facilities.
Property construction	:	Construction of residential and commercial properties, and sales of building material.
Others	:	Rental of properties, management of complex, fruits cultivation and kindergarten operations.

(c) Allocation basis and inter segment pricing

Segment results assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment prices between business segments are set on arm's length basis in a manner similar to transaction with third parties. Segment revenue, expense and results include transfer between business segments. These segments are eliminated on consolidation.

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

39. SEGMENT REPORTING (Continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

Financial year ended 28 February 2009	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
Revenue						
Revenue from external customer	82,019,360	16,245,970	26,233,019	1,771,598	-	126,269,947
Inter-segment revenue	-	12,768	73,879,113	1,020,352	(74,912,233)	-
Total revenue	82,019,360	16,258,738	100,112,132	2,791,950	(74,912,233)	126,269,947
Results						
Segment results	10,261,986	(61,627)	(1,173,751)	(561,984)	-	8,464,624
Interest income	223,777	61,850	2,272	3,902	-	291,801
Interest expense	(995,635)	(689,876)	(188,430)	(142)	-	(1,874,083)
Profit before tax						6,882,342
Tax expense						(1,877,548)
Profit for the financial year						5,004,794
At 28 February 2009						
Assets						
Segment assets	204,143,287	79,463,976	6,523,267	31,208,983	-	321,339,513
Tax assets	1,871,422	161,586	533,870	311,940	-	2,878,818
Deferred tax assets	1,519,491	-	-	231,163	-	1,750,654
Total assets						325,968,985
Liabilities						
Segment liabilities	25,947,035	5,138,065	14,675,215	354,393	-	46,114,708
Borrowings	12,492,522	7,400,854	9,823,600	-	-	29,716,976
Tax liabilities	12	-	-	59,472	-	59,484
Deferred tax liabilities	9,101,901	8,889,283	53,060	213,398	-	18,257,642
Total liabilities					-	94,148,810

39. SEGMENT REPORTING (Continued)

	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
Other information						
Capital expenditure	37,726	1,036,442	86,092	2,380	-	1,162,640
Depreciation of property plant and equipments	442,533	2,595,474	164,711	117,361	-	3,320,079
Amortisation of prepaid lease payments for land	-	740,741	-	-	-	740,741
Amortisation of deferred plantation expenditure	-	-	-	124,894	-	124,894
Other non-cash expenses	-	76,409	-	-	-	76,409
Financial year ended 29 February 2008						
Revenue						
Revenue from external customer	110,403,940	17,439,955	24,071,223	1,709,386	-	153,624,504
Inter-segment sales	-	14,271	81,415,391	11,971,658	(93,401,320)	-
Total revenue	110,403,940	17,454,226	105,486,614	13,681,044	(93,401,320)	153,624,504
Results						
Segment results	20,889,404	157,474	(288,388)	(527,173)	-	20,231,317
Interest income	291,673	54,445	-	37,823	-	383,941
Interest expense	(582,730)	(826,627)	(121,772)	(27,333)	-	(1,558,462)
Profit before tax						19,056,796
Tax expense						(5,747,425)
Profit for the financial year						13,309,371

39. SEGMENT REPORTING (Continued)

Financial year ended 29 February 2008	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
At 29 February 2008						
Assets						
Segment assets	200,224,413	82,033,563	7,834,760	31,686,274	-	321,779,010
Tax assets	572,668	-	15,070	248,154	-	835,892
Deferred tax assets	1,773,507	-	-	106,888	-	1,880,395
Total assets						324,495,297
Liabilities						
Segment liabilities	34,847,064	4,742,814	15,686,525	359,084	-	55,635,487
Borrowings	8,468,485	10,042,818	4,358,369	19,752	-	22,889,424
Tax liabilities	1,063,832	13,474	-	79	-	1,077,385
Deferred tax liabilities	9,453,229	8,934,783	14,813	211,595	-	18,614,420
Total liabilities						98,216,716
Financial year ended 29 February 2008 Other information						
Capital expenditure	166,271	1,773,159	146,426	194,748	-	2,280,604
Depreciation of property plant and equipments	191,450	2,500,010	169,483	116,305	-	2,977,248
Amortisation of prepaid lease payments for land	-	740,742	-	-	-	740,742
Amortisation of deferred plantation expenditure	-	-	-	50,748	-	50,748
Other non-cash expenses	(149,419)	(3,065,874)	-	13,688	3,142,117	(59,488)

40. FINANCIAL INSTRUMENTS

(a) Financial risk management objective 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 value for its shareholders whilst minimising the 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, set out as follows:

(i) Liquidity and cash flow risk

The Group is actively managing its operating cash flow to suit the debt maturity so 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 forecasting its cash commitments and maintaining 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.

(ii) Interest risk

The Group's income and operating cash flows 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.

40. FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management objective and policies (continued)

(ii) Interest risk (continued)

Weighted average effective interest rates ('WAEIR') and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their weighted average effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier:

Group 2009	NOTE	WAEIR %	Within 1 year RM	Between 1 - 2 years RM	Between 2 - 3 years RM	Between 3 - 4 years RM	Between 4 - 5 years RM	More than 5 years RM	Total RM
Fixed rates									
Fixed deposits with licensed banks	19	3.57	2,417,865	-	-	-	-	-	2,417,865
Amount owing to PKNK	28	8.00	405,200	-	-	-	-	-	405,200
Bankers' acceptances	26	5.64	3,301,000	-	-	-	-	-	3,301,000
Hire-purchase liabilities	26	4.72	111,957	-	-	-	-	-	111,957
Term loans	22	7.94	5,460,706	1,032,472	-	-	-	-	6,493,178
Floating rates									
Bank overdrafts	25	8.25	2,335,940	-	-	-	-	-	2,335,940
Revolving credits	24	5.49	7,100,000	-	-	-	-	-	7,100,000
Term loans	22	6.97	10,374,901	-	-	-	-	-	10,374,901
2008									
Fixed rates									
Fixed deposits with licensed banks	19	3.43	3,059,490	-	-	-	-	-	3,059,490
Amount owing to PKNK	28	8.00	13,722,755	-	-	-	-	-	13,722,755
Bankers' acceptances	26	5.94	2,244,000	-	-	-	-	-	2,244,000
Hire-purchase liabilities	27	5.47	225,063	111,957	-	-	-	-	337,020
Term loans	22	7.94	5,429,654	5,421,451	1,133,780	-	-	-	11,984,885
Floating rates									
Bank overdrafts	25	8.25	2,011,017	-	-	-	-	-	2,011,017
Revolving credit	24	5.66	3,500,000	-	-	-	-	-	3,500,000
Term loans	22	8.50	2,812,502	-	-	-	-	-	2,812,502

40. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objective and policies (continued)

(iii) 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.

As at 28 February 2009, the Group had trade receivables of RM2,940,236 (2008: RM10,767,204) that are substantially in respect of property buyers which have exceeded the credit terms. However, such credit risk is limited by withholding legal ownership until the full consideration is received. The Group's historical experience in the collection of trade receivables from tenants falls within the recorded allowances for doubtful debts. 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 the balance sheet date, other than amounts owing by subsidiaries constituting 100% (2008: 100%) of trade and other receivables of the Company, there was no significant concentration of credit risk.

The maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each financial asset in the balance sheets.

In respect of the fixed deposits, cash and bank balances which are placed with major financial institution in Malaysia, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

(b) Fair values

The Company provides guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The carrying amounts of the financial assets and liabilities of the Group as at balance sheet date approximate their fair values except for the following:

	2009		2008	
	Carrying amount RM	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Group				
Recognised				
Term loans with fixed interest rate	6,493,178	6,353,307	11,984,885	11,085,764
Hire-purchase creditors	111,957	111,957	337,020	326,892

40. FINANCIAL INSTRUMENTS (continued)

(b) Fair values (continued)

The following method and assumptions are used to determine the fair value of financial instruments:

(i) In respect of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals and short term borrowings, the carrying amounts approximate their fair values due to the relatively short term nature of these financial instruments.

(ii) The fair value of quoted investments in Malaysia is determined by reference to their quoted market prices at the balance sheet date.

(iii) In respect of non-current borrowings, the carrying amounts approximate fair values as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles.

(iv) The fair value of borrowings which is accounted for as long term financial liability is estimated based on future contractual cash flows discounted at current market assessments of the time value of money and the risks specific to the liability.

41. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 2 March 2009, Eupe Golf Recreation & Tour Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, being the entire issued share capital of Spring Ritz Sdn. Bhd. ("SRSB"), a company incorporated in Malaysia for a cash consideration of RM2. SRSB has not commenced operations since its incorporation.

On 2 March 2009, Eupe Golf Recreation & Tour Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each, being the entire issued share capital of Posh Vista Sdn. Bhd. ("PVSB"), a company incorporated in Malaysia for a cash consideration of RM2. PVSB has not commenced operations since its incorporation.

ANALYSIS OF SHAREHOLDINGS

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 SHAREHOLDING AS AT 23 JULY 2009

CATEGORY BY SIZE	NO. OF HOLDERS		NO. OF SHARES		PERCENTAGES	
	MALAYSIAN	FOREIGN	MALAYSIAN	FOREIGN	MALAYSIAN	FOREIGN
LESS THAN 100 SHARES	7	0	307	0	0.0002	0.0000
100 TO 1,000 SHARES	2,543	3	2,523,100	3,000	1.9712	0.0023
1,001 TO 10,000 SHARES	2,249	23	9,750,100	129,900	7.6173	0.1015
10,001 TO 100,000 SHARES	484	11	13,899,100	427,600	10.8587	0.3341
100,001 TO LESS THAN 5% OF ISSUED SHARES	62	2	47,025,704	2,326,200	36.7388	1.8173
5% AND ABOVE OF ISSUED SHARES	2	0	51,914,989	0	40.5586	0.0000
TOTAL	**5,347**	**39**	**125,113,300**	**2,886,700**	**97.7448**	**2.2552**

30 LARGEST SHAREHOLDERS AS AT 23 JULY 2009

NO	NAME	SHAREHOLDINGS	PERCENTAGES
1.	BETAJ HOLDINGS SDN BHD	28,653,781	22.3858
2.	BEH HENG SEONG SDN.BHD.	23,261,208	18.1728
3.	LIEW HOCK LAI	4,521,900	3.5327
4.	FIRM ALLIANCE SDN BHD	4,022,538	3.1426
5.	AHMAD ZAKIUDDIN BIN HARUN	4,000,000	3.1250
6.	TEH AH YAU RUBBER FACTORY SDN BERHAD	3,742,729	2.9240
7.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR BEH HUCK LEE (511356)*	3,500,000	2.7344
8.	SUCCESS LEADS SDN BHD	2,781,794	2.1733
9.	THAM SAU KIEN	2,547,300	1.9901
10.	PERBADANAN KEMAJUAN NEGERI KEDAH	2,220,500	1.7348
11.	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR PERBADANAN KEMAJUAN NEGERI KEDAH (6178-003)*	2,020,478	1.5785

ANALYSIS OF SHAREHOLDINGS (continued)

30 LARGEST SHAREHOLDERS AS AT 23 JULY 2009 (Continued)

NO	NAME	SHAREHOLDINGS	PERCENTAGES
12.	SAW TIANG AUN	2,004,500	1.5660
13.	MAYBAN SECURITIES NOMINEES (ASING) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG HAR HONG (REM 650)*	1,626,200	1.2705
14.	HDM NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIEW HOCK LAI (M11)*	1,300,000	1.0156
15.	THAM WOAN FANG	1,237,700	0.9670
16.	TEO KWEE HOCK	1,228,000	0.9594
17.	HDM NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR RCS ELECTRONICS SDN BHD (M01)*	1,056,538	0.8254
18.	DATO TAJUDIN HOLDINGS SDN BHD	954,611	0.7458
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA (472602)*	728,400	0.5691
20.	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)*	700,000	0.5469
21.	KHOO CHAI TEIK	489,500	0.3824
22.	MERCSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HO LIH MENG*	420,000	0.3281
23.	NEO ENG HUI	338,000	0.2641
24.	TAN HUNG CHEW SDN BHD	330,000	0.2578
25.	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR MAK NGIA NGIA @ MAK YOKE LUM (MM0749)*	322,400	0.2519
26.	KE-ZAN NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR TEOH HIN HENG*	317,000	0.2477
27.	TEOH TIAN WEN	313,000	0.2445
28.	HDM NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TOH CHUN HOK (M11)*	308,000	0.2406
29.	CENTRAL KEDAH PLYWOOD FACTORY SENDIRIAN BERHAD	289,000	0.2258
30.	CORING TAY SWEE LYNN	282,400	0.2206
	TOTAL	**95,517,477**	**74.6232**

LIST OF SUBSTANTIAL SHAREHOLDERS (5%) AS AT 23 JULY 2009

No.	Name	Direct Interest		Indirect Interest	
		Shares	Percentage	Shares	Percentage
1.	Betaj Holdings Sdn Bhd	28,653,781	22,3858	-	-
2.	Beh Heng Seong Sdn Bhd	23,261,208	18.1728	28,653.781	22.3858

LIST OF DIRECTORS AS AT 23 JULY 2009

No.	Name	Direct Interest		Indirect Interest	
		Shares	Percentage	Shares	Percentage
1.	Beh Huck Lee	3,500,000 (d)	2,7344	51,914,989 (a)	40,5586
2.	Teoh Choon Boay	234,416	0.1831	52,114,389 (b)	40.7144
3.	Tan Hiang Joo	10,000	0.0078	-	-
4.	Muhamad Faisal Bin Tajudin	-	-	29,608,392 (c)	23.1316

Note:

(a) Deemed interested by virtue of Section 6A of the Companies Act, 1965 through shareholdings in Beh Heng Seong Sdn. Bhd. which in turn holds shares in Betaj Holdings Sdn. Bhd.

(b) Deemed interested by virtue of Section 6A of the Companies Act, 1965 through shareholdings in Beh Heng Seong Sdn. Bhd. which in turn holds shares in Betaj Holdings Sdn. Bhd. and Section 134(12)(c) of the Companies Act, 1965.

(c) Deemed interested by virtue of Section 6A of the Companies Act, 1965 through shareholdings in Dato Tajudin Holdings Sdn. Bhd. which in turn holds shares in Betaj Holdings Sdn. Bhd.

(d) Held through RHB Capital Nominees (Tempatan) Sdn. Bhd.

LIST OF PROPERTIES HELD

Description	Tenure & Age	Land Area	Total Built-up (sq. m.) (RM)	Net Book Value as at 28.2.2009
P.T. 66058, H.S.(M) 2434 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 commercial land)*	Freehold	1.07 acres (46,719 sq. ft.; 4,340 sq. m.)	-	373,617
P.T. 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 *(Condominium land currently under development)*	Freehold	4.01 acres (174,885 sq. ft.; 16,247 sq. m.)	-	15,090,558
P.T. 09943, P.T. 09959 to P.T. 09962, P.T. 10134, P.T. 10252, P.T. 10256 to P.T. 10258, and P.T. 10389 to P.T. 10390 H.S.(M) 31/1989, H.S.(M) 47/1989 to H.S. (M) 50/1989, H.S.(M) 222/1989, H.S.(M) 340/1989, H.S.(M) 344/1989 to H.S.(M) 346/1989, and H.S.(M) 477/4989 to H.S.(M) 478/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah *(12 vacant plots of bungalow land)*	Freehold	2.47 acres (107,524 sq. ft.; 9,989 sq. m)	-	3,142,400
P.T. 13453, H.S.(M) 2974/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah *(Vacant plot of commercial complex land)*	Freehold	3.35 acres (146,130 sq. ft.; 13.575 sq. m.)	-	4,862,428
P.T. 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 plots of commercial land)*	Freehold	2.19 acres (95,453 sq. ft.; 8,868 sq. m.)	-	2,485,123
P.T. 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 vacant plots of commercial land)*	Freehold	3.18 acres (138,643 sq. ft ; 12,880 sq. m.)	-	4,306,715
P.T. 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 plots of detached land)*	Freehold	3.11 acres (135,539 sq. ft.; 12,592 sq. m.)	-	904,590
P.T. 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 plots of industrial land and 2 vacant plots of TNB sub-station land)*	Freehold	10.78 acres (469,716 sq. ft.; 43,638 sq. m.)	-	1,147,031

LIST OF PROPERTIES HELD (continued)

Description	Tenure & Age	Land Area	Total Built-up (sq. m.) (RM)	Net Book Value as at 28.2.2009
244 development lots within P.T. 69088 to P.T. 70918 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Kelisa Ria, Sungai Petani *(244 plots of land for mixed development)*	Freehold	48.12 acres (2,096,124 sq. ft.; 194,736 sq. m.)	-	5,115,508
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 Taman Kelisa Ria and Aman Jaya *(13 parcels of land for mixed development)*	Freehold	192.47 acres (8,383,993 sq. ft.; 778,898 sq. m.)	-	36,143,322
P.T. 82535 to 82558, P.T. 82590 to 82603, P.T. 83025 to P.T. 83039, P.T. 83079 to 83089, P.T. 83189 to 83191, P.T. 83245 to 83250, P.T. 83285 to 83287, P.T. 83385 to 83423 and P.T. 83504 to 83511 H.S.(D) 95138 to H.S.(D) 95161, H.S.(D) 95193 to H.S.(D) 95206, H.S.(D) 95628 to H.S.(D) 95642, H.S.(D) 95682 to H.S.(D) 95692, H.S.(D) 95792 to H.S.(D) 95794, H.S.(D) 95848 to H.S.(D) 95853, H.S.(D) 95888 to H.S.(D) 95890, H.S.(D) 95988 to H.S.(D) 96026 and H.S.(D) 96107 to H.S.(D) 96114 Mukim of Pinang Tunggal, District of Kuala Muda Located within Bandar Seri Astana, Sungai Petani *(123 plots of land for mixed development)*	Freehold	7.85 acres (342,099 sq. ft.; 31,782 sq. m.)	-	1,520,113
P.T. 5208 to P.T. 5210 H.S.(D) 27776 to H.S.(D) 27778 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Puteri Jaya *(3 parcels of land for mixed development)*	Freehold	297.00 acres (12,937,320 sq. ft.; 1,201,916 sq. m.)	-	20,044,867
P.T. 558, GM 796 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Seri Astana *(Vacant plot of agriculture land)*	Freehold	8.07 acres (351,420 sq. ft.; 32,647 sq. m.)	-	276,761
P.T. 5205 and P.T. 5207 H.S.(D) 27773 and H.S.(D) 27775 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Puteri Jaya *(2 parcels of land currently under development)*	Freehold	253.27 acres (11,032,441 sq. ft.; 1,024,947 sq. m.)	-	8,864,333
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 parcels of land currently under development)*	Freehold	291.97 acres (12,717,976 sq. ft.; 1,181,539 sq. m.)	-	20,638,153

LIST OF PROPERTIES HELD (continued)

Description	Tenure & Age	Land Area	Total Built-up (sq. m.) (RM)	Net Book Value as at 28.2.2009
Lot 3289, part of lot 3185, part of lot 3295, part of lot 3196, lot 22796, part of lot 4666, lot 4667 to 4670, part of lot 4672, lot 4673 to 4678 and part of lot 3187 Mukim of Sungai Petani, District of Kuala Muda Located next to Cinta Sayang Golf and Country Resort Persiaran Cinta Sayang, Sungai Petani, Kedah *(18 parcels of land currently under development)*	Freehold	140.37 acres (6,114,517 sq. ft.; 568,057 sq. m.)	-	35,566,923
P.T. 30395 and 30396 H.S.(D) 443 and 444 Mukim of Sungai Petani, District of Kuala Muda Within Kawasan Perusahaan Ringan Bukit Makmur *(2 vacant plots of industrial land)*	Freehold	7.35 acres (320,305 sq. ft.; 29,757 sq. m.)	-	2,388,020
P.T. 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 plots of detached land)*	Freehold	7.45 acres (324,618 sq. ft.; 30,157 sq. m.)	-	1,684,632
P.T. 211 to P.T. 283, P.T. 308 to P.T. 316, P.T. 329 to 340, P.T. 606 to P.T. 625, P.T. 1435 to P.T. 1461, P.T. 1476 to P.T. 1681, P.T. 1687 to P.T. 1695, P.T. 1698 and P.T. 5644 to P.T. 5715 H.S.(D) 48/89 to H.S.(D) 120/89, H.S.(D) 145/89 to H.S.(D) 153/89, H.S.(D) 166/89 to H.S.(D) 177/89, H.S.(D) 428/89 to H.S.(D) 447/89, H.S.(D) 1255/89 to H.S.(D) 1281/89, H.S.(D) 1296/89 to H.S.(D) 1501/89, H.S.(D) 1507/89 to H.S.(D) 1515/89, H.S.(D) 1518/89 and H.S. (D) 50714 to 50785 Mukim of Naga Lilit, District of Kulim Located within Taman Ria, Padang Serai, Kedah *(428 plots of land for mixed development)*	Freehold	47.36 acres (2,063,006 sq. ft.; 191,660 sq. m.)	-	10,568,890
P.T. 55443 to P.T. 55445 H.S.(D) 648 to H.S.(D) 650 Mukim of Sungai Petani, District of Kuala Muda Located next to Taman Ria, Sungai Petani *(3 vacant plots of bungalow land)*	Freehold	0.38 acres (16,533 sq. ft.; 1,536 sq. m.)	-	61,638
P.T. 17698 and P.T. 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)*	21 years Leasehold for 60 years expiring 31/7/2051	190.88 acres (8,314,733 sq. ft.; 772,438 sq. m.)	7,402.64	30,410,774

LIST OF PROPERTIES HELD (continued)

Description	Tenure & Age	Land Area	Total Built-up (sq. m.) (RM)	Net Book Value as at 28.2.2009
P.T. 10398 and P.T. 10422 H.S.(D) 486/89 to H.S.(D) 510/89 P.T. 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 Golf and Country Resort)*	14 to 21 years Freehold	8.62 acres (375,487 sq. ft.; 34,897 sq. m.)	10,768.40	22,996,415
P.T. 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 *(Commercial land erected with a 6-storey building known as Wisma Ria)*	13 years Freehold	1.67 acres (72,642 sq. ft.; 6,748 sq. m.)	5,548.08	13,740,000
P.T. 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.)	-	2,360,000
P.T. 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)*	21 years Freehold	0.70 acres (30,574 sq. ft.; 2,840 sq. m.)	2,835.20	2,560,000
P.T. 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)*	21 years Freehold	0.37 acres (16,307 sq. ft.; 1,515 sq. m.)	1,471.54	1,290,000
P.T. 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)*	21 years Freehold	0.34 acres (14,995 sq. ft.; 1,393 sq. m.)	1,235.5	1,080,000
P.T. 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.) 5,548 sq.m.)	-	4,014,081
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.)	-	3,631,480

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of EUPE CORPORATION BERHAD will be held at Garuda I, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on Friday 28 August 2009 at 10.00 a.m. for the following purposes:-

AGENDA

1 To receive and adopt the Audited Financial Statements for the year ended 28th February 2009 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 Article 82 of the Company's Articles of Association:

2.1 Mr. Tan Hiang Joo **Resolution 2**

2.2 Miss Kek Jenny **Resolution 3**

3 To appoint Auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 4**

A Notice of Nomination pursuant to Section 127(1) of the Companies Act 1965 has been received by the Company for the nomination of Messrs. RSM Robert Teo, Kuan & Co. (AF 0768) who have given their consent to act as auditors of the Company and of the intention to propose the following Resolution:-

"THAT Messrs. RSM Robert Teo, Kuan & Co. (AF 0768) be and are hereby appointed Auditors of the Company in place of the retiring Auditors, M/s BDO Binder (AF 0206) and to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors."

4 To consider and if thought fit, to pass the following resolutions as an Ordinary Resolutions: **Resolution 5**
As Special Business:

4.1 Authority to issue and allot shares

"**That** pursuant to Section 132D of the Companies Act 1965 and subject to the approval of the relevant authorities (if any shall be required), the Directors be and are hereby authorized to allot and issue new ordinary shares of RM1.00 each (other than bonus or right issues) 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 from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

4.2 Proposed Authority to purchase its own shares by the Company. **Resolution 6**

"THAT, subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of ordinary shares of RM1.00 each in the Company ("Shares") and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees

4.2 Proposed Authority to purchase its own shares by the Company. (Continued) **Resolution 6**

with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

(i) The aggregate number of Shares bought-back and/or held does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company subject to the restriction that the issued and paid-up capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirement;

(ii) The maximum amount to be allocated for the buy-back of the Company's own Shares shall not exceed the retained profits or the share premium account of the Company;

(iii) As prescribed by the act, rules, regulations and orders made pursuant to the act and the requirements of Bursa Securities and any other relevant authority for the time being in force; and

(iv) Upon completion of buy-back by the Company of its own Shares, the Directors of the Company are authorised to deal with the shares so bought-back in any of the following manner:-

(a) cancel the Shares so purchased; or

(b) retain the Shares so purchased as treasury shares and held by the Company; or

(c) retain part of the Shares so purchased as treasury shares and cancel the remainder,

and the treasury shares may be distributed as dividends to the Company's shareholders and/or resold on Securities Exchange and/or subsequently cancelled or any combination of the three and in any other manner.

The approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is the earliest;

NOTICE OF ANNUAL GENERAL MEETING
(continued)

5. To transact any other ordinary business of which due Notice shall have been received.

BY ORDER OF THE BOARD

NG BEE LIAN *[MAICSA 7041392]*

LIM HOOI MOOI *[MAICSA 0799764]*
Company Secretaries

Kuala Lumpur
Date: 5 August 2009

Explanatory Notes to Special Business:-

(1) Your Board would like to act expeditiously on opportunities to expand your Group's business, if and when they arise. The proposed resolution No. 5, 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. No shares had been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 25 August 2008.

(2) Proposed renewal of authority for the Company to purchase its own shares

The purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilizing the funds allocated which shall not exceed the total retained profits and share premium account of the Company. The Company has not purchased any of its own shares since obtaining the said mandate from its shareholders at the last Annual General Meeting held on 25 August 2008. Further information on the Proposed renewal of authority for the Share Buy-Back is set out in the Circular to shareholders dated 5 August 2009 which is despatched together with the Company's 2009 Annual Report.

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 THIRTEENTH ANNUAL GENERAL MEETING

1. The names of directors who are standing for election or re-election in accordance with Article 82 of the Company's Articles of Association:-

   Mr. Tan Hiang Joo

   Ms Kek Jenny

   The details of the abovenamed Directors who are seeking for re-election are set out in their respective profiles which appear in the Directors' Profile on pages 8 to 10 of the Annual Report 2009. The Directors' shareholdings in the Company are set out in the Analysis of Shareholdings which appear on page 105 of the Annual Report 2009.

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

   During the financial period, four (4) Board meetings were held.

Name	Total Board Meetings attended
Dato' Jaafar Bin Jamaludin	4/4
Datin Paduka Teoh Choon Boay	3/4
Beh Huck Lee	4/4
Tan Hiang Joo	4/4
Kek Jenny	3/4
Muhamad Faisal Bin Tajudin	4/4

3. Annual General Meeting of Eupe Corporation Berhad

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

   Date & Time : 28 August 2009 at 10.00 a.m.

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EUPE CORPORATION BERHAD
(377762-V)

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 Thirteenth Annual General Meeting of the Company to be held at Garuda I, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on Friday 28 August 2009 at 10.00 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 28 February 2009 together with the Report of the Directors and Auditors thereon.	Resolution 1		
2.	To re-elect the retiring Director, Mr. Tan Hiang Joo pursuant to Article 82 of the Company's Articles of Association	Resolution 2		
3.	To re-elect the retiring Director, Ms Kek Jenny pursuant to Article 82 of the Company's Articles of Association	Resolution 3		
4.	To appoint Auditors and to authorize the Directors to fix their remuneration.	Resolution 4		
5.	Special Business: Authority to issue shares pursuant to Section 132(D) of the Companies Act 1965 (Ordinary Resolution)	Resolution 5		
6.	Special Business : Proposed renewal of authority to purchase its own shares by the Company (Ordinary Resolution)	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).

Dated this _____ day of _____ ,2009

_____

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

BETAJ HOLDINGS SENDIRIAN BERHAD
229872-D

5TH FLOOR,
WISMA RIA, TAMAN RIA,
08000 SUNGAI PETANI,
KEDAH DARUL AMAN

TEL 604-441 4888
FAX 604-441 4548

13 July 2009

The Board of Directors
Eupe Corporation Berhad
5th Floor, Wisma Ria, Taman Ria
08000 Sungai Petani
Kedah Darul Aman

Dear Sirs,

SPECIAL NOTICE
-PROPOSED NOMINATION OF AUDITORS

We, being the registered shareholder holding 22.39% in Eupe Corporation Berhad, hereby give notice in pursuant to Section 172(11) of The Companies Act, 1965 for the nomination of Messrs RSM Robert Teo, Kuan & Co (AF 0768) for appointment as auditors of the Company in place of the retiring auditors Messrs BDO Binder (AF 0206), at the forthcoming Annual General Meeting.

We, therefore, propose the following motion to be considered subject to the consent of Messrs RSM Robert Teo, Kuan & Co to act as Eupe Corporation Berhad's auditors: -

"THAT Messrs RSM Robert Teo, Kuan & Co (AF 0768) be appointed Auditors of the Company in place of the retiring auditors, Messrs BDO Binder (AF 0206) to hold office until the conclusion of the next Annual General Meeting at a remuneration be fixed by the Directors."

Thank you.

Yours faithfully

BETAJ HOLDINGS SDN. BHD. (229872-D)

Pengarah

EUPE CORPORATION BERHAD
(377762-V)

5th Floor, Wisma Ria Taman Ria,
08000 Sungai Petani,
Kedah Darul Aman, Malaysia.
T. 604-441 4888 • F. 604-441 4548

www.eupe.com.my

Strength in *flexibility*

Strong and steadfast in the face of the elements. Yet flexible enough to sway when the winds of change blow. This is a symbol of the twin pillars of our strength and flexibility. We hold firm to our principles but are not rigid in our approach. We focus on our competencies to take advantage of the economic turbulences, whilst staying flexible to adapt to the needs of the constantly evolving market.

Constant, yet evolving. Steadfast, yet innovating. Focused, yet responding; and reaching for the sky.