EUPE CORPORATION BERHAD
(377762-V)

Towards GREATER HEIGHTS

Annual Report **2012**

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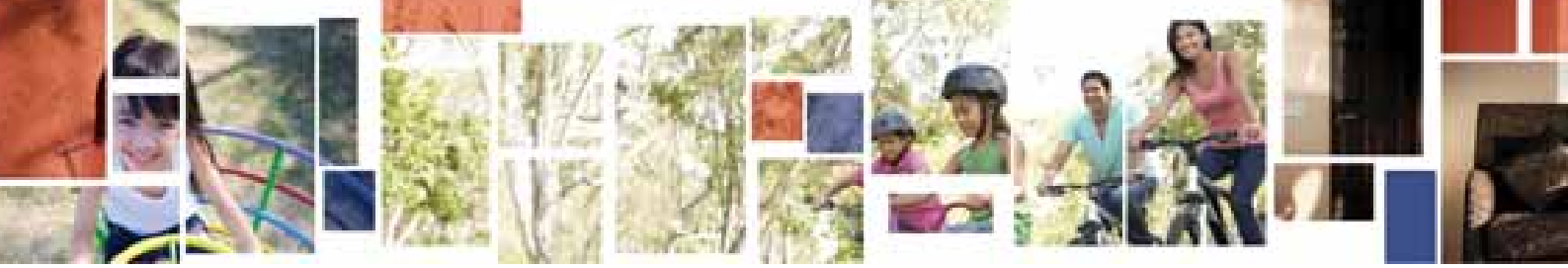
FINANCIAL STATEMENTS



CORPORATE INFORMATION

BOARD OF DIRECTORS

Managing Director
Dato' 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' Paduka Haji Ismail Bin Haji Shafie

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
Dato' Paduka Haji Ismail Bin Haji Shafie*
Tan Hiang Joo*
Kek Jenny*

* Independent Non-Executive Directors

COMPANY SECRETARIES

Ng Bee Lian (MAICSA 7041392)
Tan Enk Purn (MAICSA 7045521)

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

RSM Robert Teo, Kuan & Co
Penthouse, Wisma RKT
No 2 and 4, Jalan Raja Abdullah
Off Jalan Sultan Ismail
50300 Kuala Lumpur
Tel : 603-2610 2888 Fax : 603-2698 6600

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 Market of the Bursa Malaysia Securities Berhad

MESSAGE FROM THE MANAGING DIRECTOR

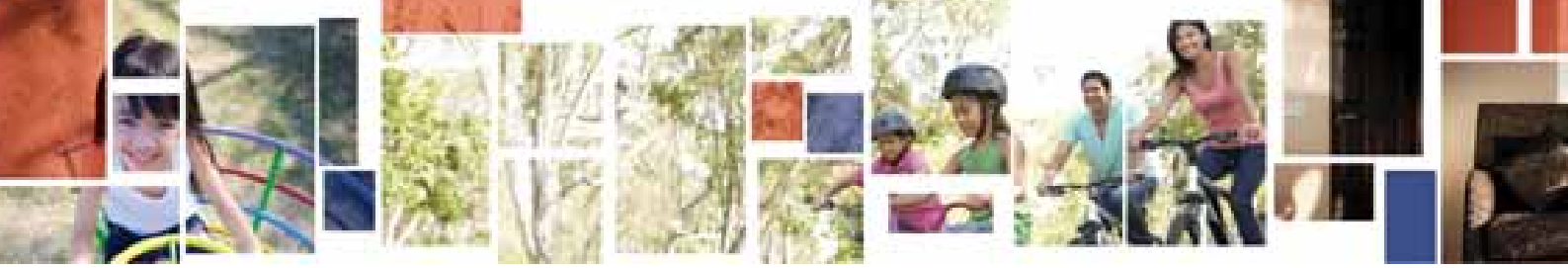
FINANCIAL PERFORMANCE

In the financial year ended 29th February 2012, the Group achieved a revenue of RM 143 million, which is a 15% increase over the previous financial year. The profit before tax achieved during financial year was RM 13.7 million, representing a 27% increase over the previous year.

PROPERTY DEVELOPMENT

The property development and construction division is the Group's key profit contributor, achieving a profit before tax of RM 14.4 million on the back of revenues of RM 126 million. This represents a 51% increase in profit before tax and a 20% increase in revenue.

The property division's results are all achieved from sales in Kedah. The impact of Bank Negara Malaysia's more restrictive financing regime is not as keenly felt here; being mitigated by the small percentage of speculator buying in the state. Over 90% of the buyers are owner occupants, and about 75% are from the government sector. The mass housing sector in the state; which is one of our core development divisions, still presents opportunites and is a stabilising factor for us as it is not as affected by changes in macro economic policies and the global crisis as that in major cities. Prices are however more stable, and do not fluctuate as much as in the key states of KL, Penang and Johore. We are currently developing the townships of Seri Astana Phase E, Astana Parkhomes, Puncak Surya and Taman Ria Mesra 2 (Gurun) which are in different stages of sales and completion. Each township comprises approximately 1,000 units of residential and commercial units in a comprehensive development.



MESSAGE FROM THE MANAGING DIRECTOR (Continued)

Building from this base of stable predictable development which will provide a measure of stable income, we are setting our sights on expanding our boudaries geographically. We have now established ourselves in that direction and planted the seeds of our action plans in Australia and in Kuala Lumpur.

The gestation period from acquiring land and reaping revenues from development on these parcels can take more than a year. We expect to launch our Bangsar South project in Kuala Lumpur in the early part of 2013. This development, strategically located a stone's throw from the Kerinchi LRT station and situated beside the Federal Highway, is nestled amidst office blocks and a commercial precinct.

Our investment into Australia is minimal but it will be a good start to establish our presence there. In additional to strengthening our income stream, it will provide a portfolio diversification to our domestic operations.

In Kedah, we are adding upmarket developments to the townships that we have, capitalising on locations within these townships that have matured and become very prime. Two upmarket developments will be launched in the vicinity of Cinta Sayang towards the end of 2012. One; ***The Somerset***, will be the most expensive development in the state, on a hill outside Cinta Sayang Resort to afford spectacular views for all.

The second, ***Cinta Sayang Resort Villas***, will capitalise on its location adjoining the golf course and facing the new government administration centre of Sungai Petani. Both are the State's first UNIFI enabled projects, with fibre optic broadband internet to all homes, card access systems in a gated guarded enclave, and come with golf membership to the facilities of the Resort.

MESSAGE FROM THE MANAGING DIRECTOR (Continued)

HOTEL AND RESORT OPERATIONS

The Hotel and Resort Division achieved a revenue of RM 15.3 million, representing a 2% increase in revenue over the previous year.

Although the golf division registered a slight increase in overall losses for the financial year under review, the past few months have been positive, with an increase in revenue as compared to the similar period last year. To increase the number of golfers, a venture with the Mizuno Academy has been signed. This will attract government sponsored golf students and spin off more golfers. There will also be an increase in corporate golf tournaments and promotions for term memberships. The hotel division has seen revenue increase in the F&B sector, with margins increasing and a catering division expanding. Hotel rooms continue to face competition from mushrooming boutique hotels but we have been able to maintain our occupancy rates.

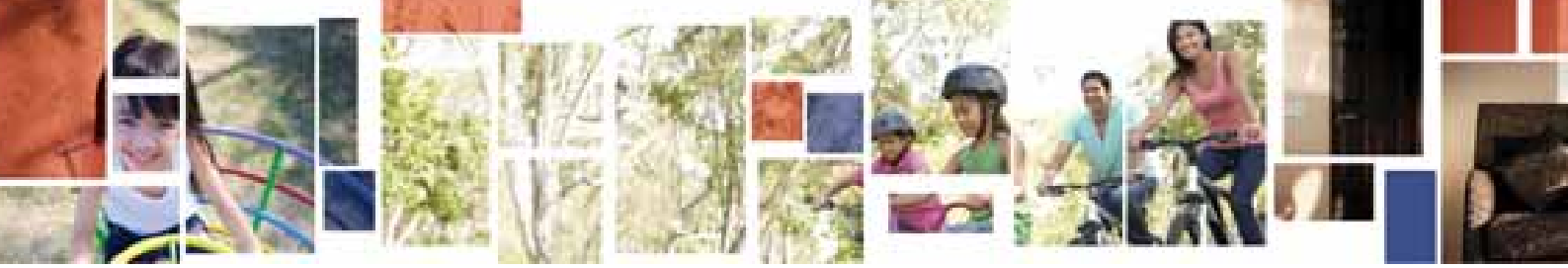
The expansion and extension of the Rajawali ballroom in August 2011 has helped to increase hall rental and will better position itself to cater for larger functions.

The Carnivall Water Theme Park registered a contraction of 3% to the numbers of visitors over the previous year. However this is based on a 20% increase that was achieved in the comparative year. In the past few months, revenue has jumped due to large scale corporate functions and annual events. A continuously aggressive marketing thrust is needed to maintain this. Thus far, the results have been positive.

CIVIL ENGINEERING AND CONSTRUCTION

The Group's construction company, Riacon Sdn. Bhd. is MS ISO 9001/2008 and G7 certified (under the CIDB or Construction Industry Development Board) and has greatly expanded the scope and capabilities of its Kelas A Contractor Licence under the Pusat Khidmat Kontraktor Kementerian Kerja Raya Malaysia. We also take an active stance in improving the QLASSIC (Quality Assessment System in Construction) scores of this division - an assessment system run by the CIDB.

Apart from the internal projects, the external project for the Triple Wisdom Hall in Georgetown Penang will end in July 2012. In March 2012, this division was awarded another external contract to develop a high-end residential project - ***Hillpark***, in Alma, Bukit Mertajam; which will also be managed by the Group.



MESSAGE FROM THE MANAGING DIRECTOR (Continued)

MARKET OUTLOOK

The financial year to February 2012 was straddled with uncertainty due to the crisis in the European Union which sent repercussions globally. Closer to home, Malaysia's GDP contracted by 3.2% in the first quarter of 2012 over the previous quarter whilst generally, over the period from 2010 to 2012, the GDP averaged a growth of 1.18%.

Bank Negara Malaysia's implementation of more restrictive lending guidelines in January 2012 is expected to curb speculation in the property market. The lowering of the Loan-To-Value mortgage cap from 90% to 70% for the financing of the third residential purchase and the re-activation of the Real Property Gains Tax will further impact on this.

PROSPECTS AND PLANS

Under the property division, in Kedah we are hoping to push out the Somerset and Cinta Sayang Resort Villas projects to cater for a demand that we believe is latent in the market; luxury residences in key locations with full facilities and award winning architects in state-of-the-art designs.

In Kuala Lumpur, we target to launch our maiden project; a high rise condominium project in Bangsar South in early 2013. The key now is to create a project that will not capitalise on its location but stand out on its own as it is surrounded by established developments. To complement our presence and development in the Klang Valley will be the establishment of show units and our office there.

With regards to the 17-acre parcel of land in Puncak Jalil, Selangor acquired in the previous year for RM 37 million; some technical issues have arisen with regards to the alienation of the land from the government to the vendor and hence title transfer cannot be executed at the current stage. An extension to the settlement period has been granted. In the meantime, we are also looking to acquire more land in the Kuala Lumpur and Selangor region and some of the acquisitions are at different stages of negotiation.

MESSAGE FROM THE MANAGING DIRECTOR (Continued)

DIVIDEND POLICY

The Board of Directors do not recommend any payment of dividend for the year ended 29th February 2012.

CORPORATE SOCIAL RESPONSIBILITY

We support corporate social responsibility through many separate projects of the group. Additionally, over 2011 to 2012, we undertook the construction of the Triple Wisdom Hall in Penang on a "no-profit" basis.

As always, donations were made to a variety of bodies for scholarships, orphanages and social welfare. We also participated in the Government's House Build project where we sponsored and undertook repairs to homes of residents in various villages.

CONCLUSION

Having crossed the 25 year milestone, we are now expanding geographically and for this, I would like to commend our team who have worked hard and taken on the extended geographical responsibilities in their stride. We would also not be here if it were not for our contractors, sub-contractors, suppliers, business associates, board of directors, and shareholders; so for this, my deepest gratitude and appreciation.

Dato' Beh Huck Lee
Managing Director
19 July 2012

PROFILE OF DIRECTORS

Aged 41. 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 Bursa Malaysia Securities Berhad.

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.

Dato' Beh Huck Lee

DSDK, AMK
Managing Director

PROFILE OF DIRECTORS (Continued)

Aged 66. 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 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.

Dato' Jaafar bin Jamaludin

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

Aged 48. 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 four 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.

Tan Hiang Joo

Independent Non-Executive Director

PROFILE OF DIRECTORS (Continued)

Aged 41. Malaysian. 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 four out of four 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.

Muhamad Faisal bin Tajudin

Non-Independent Executive Director

Aged 63. 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 meetings in the financial year. No conflict of interest with the Group and is the mother of Dato' 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.

Datin Paduka Teoh Choon Boay

Non-independent Non-Executive Director

PROFILE OF DIRECTORS (Continued)

Aged 47. 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.

Kek Jenny

Independent Non-Executive Director

Aged 64. Malaysian. Appointed to the Board on 24 September 2010.

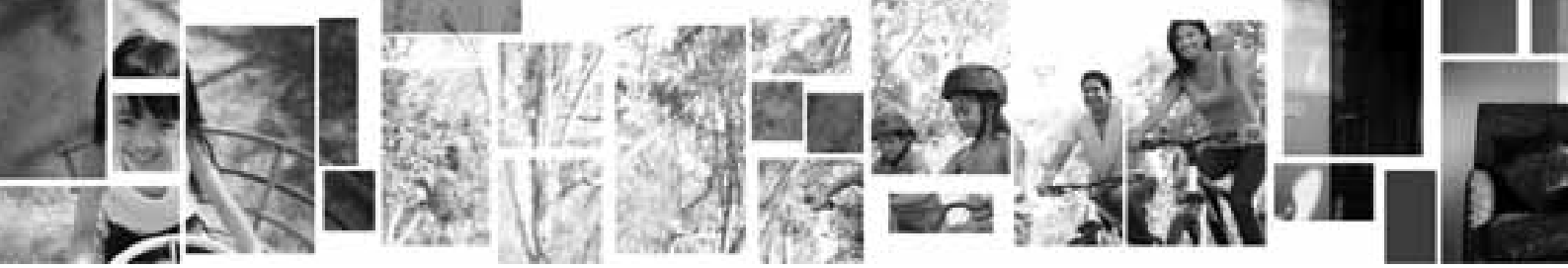
Holds a Higher School Certificate (HSC). Served the Kedah State Government from 1969 to 2003 when he retired after serving as State Secretary of Kedah since 1996. Other posts held include District Land Officer and District Officer of various districts, State Director of Lands and Mines (Kedah) as well as State Financial Officer (1994-1996).

Also director of Permodalan Kedah Berhad and Supportive Resources Berhad.

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

Dato' Paduka Haji Ismail bin Haji Shafie

DHMS, DSDK JMN, BCK, JP.
Independent Non-Executive Director



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.

The Board shall also review the terms of office and performance of the members of the Audit Committee at least once every three (3) years to determine whether the members have carried out their duties in accordance with their terms of reference.

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.

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.

STATEMENT OF CORPORATE GOVERNANCE (Continued)

PRINCIPLES STATEMENT (Continued)

A. BOARD OF DIRECTORS (Continued)

During the year ended 29 February 2012, four board meetings were convened. The details of board attendance are as follows :

Name of directors		No. of meetings attended
Dato' 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)	3 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
Dato' Paduka Haji Ismail bin Haji Shafie	(Independent Non-Executive Director)	4 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 22 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.

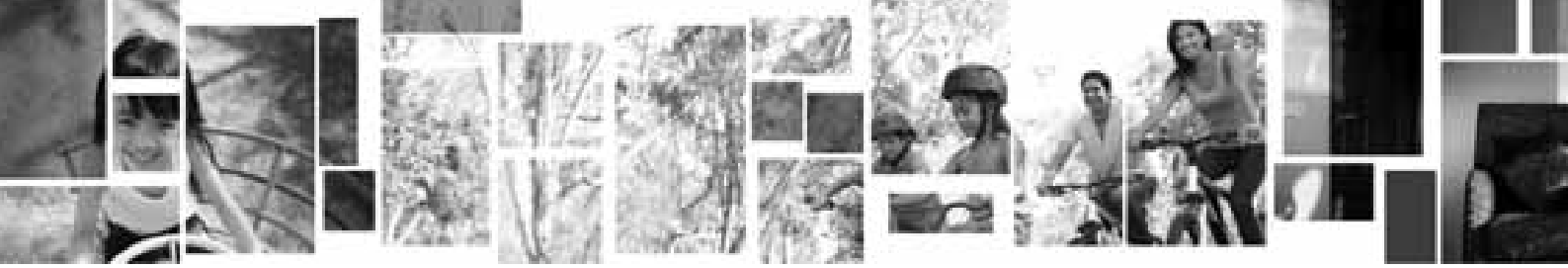
Board Balance

The Board comprises seven (7) Directors as follows:

- 2 non-independent executive Directors;
- 1 non-independent non-executive Director; and
- 4 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 five (5) non-executive Directors.



STATEMENT OF CORPORATE GOVERNANCE (Continued)

PRINCIPLES STATEMENT (Continued)

A. BOARD OF DIRECTORS (Continued)

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.

During the financial year ended 29 February 2012, the following were the programmes attended:

Date	Training Programmes
12-13 March 2011	Leadership & People Management Proficiencies
22-23 Feb 2012	Green Building Asia 2012 Conference

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.

STATEMENT OF CORPORATE GOVERNANCE (Continued)

PRINCIPLES STATEMENT (Continued)

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 2012 is as follows:

	Salaries and EPF RM	Bonuses RM	Fees RM	Allowances RM	Total RM
Executive Directors	61,845	120,181	24,000	5,000	1,026
Non-executive Directors	-	-	108,000	11,000	119,000

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

Remuneration bands (RM)	Executive Directors	Non-Executive Directors
50,000 and below	-	5
400,001 to 500,000	2	-

C. SHAREHOLDERS

Dialogue between companies and investors

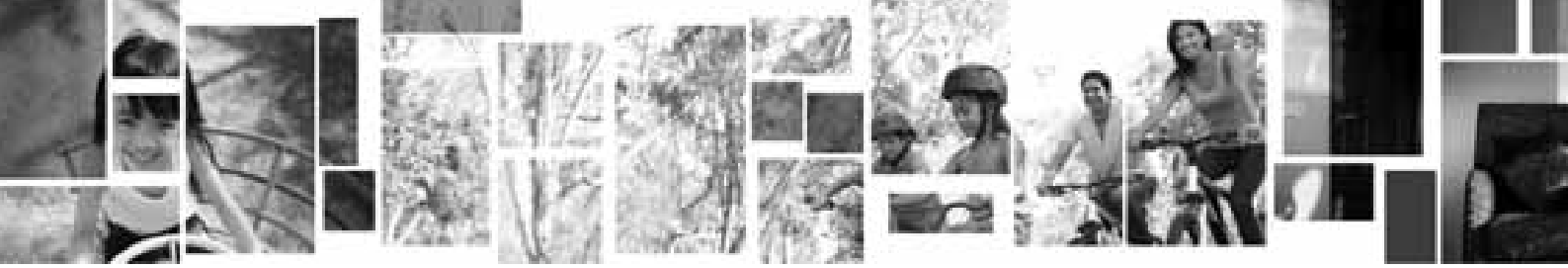
Communication is crucial to a Company's progress as members of the investing public, shareholders and customers are the key determinants of a Company's success. With this in mind, the Company maintains an open communications policy with its shareholders, individuals or institutional members, and welcomes 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 Group has also established a website (www.eupe.com.my) from which shareholders can access information related to the Group. Investors and members of the public who wish to assess corporate and financial information such as the quarterly announcement of the financial results of the Group, announcements and disclosures made pursuant to the disclosure requirement of Bursa Malaysia Main Market Listing Requirements and other corporate information and events related to the Group can channel their queries via the website or the following telephone numbers :

Telephone number : **+604 4414 888**

Fax number : **+604 4414 548**

Website : **www.eupe.com.my**



STATEMENT OF CORPORATE GOVERNANCE (Continued)

PRINCIPLES STATEMENT (Continued)

C. SHAREHOLDERS (Continued)

The Annual General Meeting ("AGM")

The AGM is a platform for shareholders to raise their concerns and opinions about the Company and its performance. Apart from shareholders, the Company's employees, bankers, lawyers and the press are invited to attend the AGM. It is an appropriate avenue to obtain feedback directly from shareholders and to let them know of the direction and performance of the Company. The Managing Director addresses theshareholders 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 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 19 of the Annual Report provides an overview of the state of internal control within the Group.

STATEMENT OF CORPORATE GOVERNANCE (Continued)

PRINCIPLES STATEMENT (Continued)

D. ACCOUNTABILITY AND AUDIT (Continued)

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 22 to 25 of the Annual Report.

Compliance statement

Throughout the financial year ended 29 February 2012, 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.

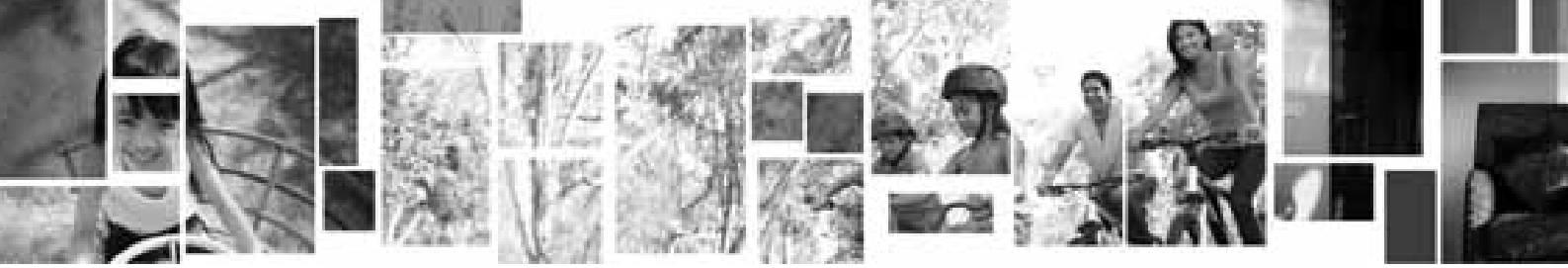
- There is no orientation and education program for new recruits to the Board (in accordance with Best Practice Provision AA XIII) as it is the Company's practice to appoint only individuals of sufficient experience and calibre to carry out their Directorial duties. Moreover, all Directors have successfully 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.

This Statement of Corporate Governance is made in accordance with the resolution of the Board of Directors dated 25 July 2012.



ADDITIONAL COMPLIANCE INFORMATION

STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

This is not applicable for the financial year ended 29 February 2012.

SHARE BUYBACKS

There was no share buyback scheme implemented during the financial year ended 29 February 2012.

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

This is not applicable for the financial year ended 29 February 2012.

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

The Group has not sponsored any ADR or GDR programme during the financial year ended 29 February 2012.

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 29 February 2012.

VARIATIONS IN RESULTS

There were no variances of 10% or more between the results for the financial year ended 29 February 2012 and unaudited results previously announced.

NON-AUDIT FEES

There were no non-audit fees paid to the external auditors during the financial year ended 29 February 2012.

RELATED PARTY TRANSACTIONS OF A REVENUE/TRADING NATURE

All recurrent related party transactions entered into by the Group during the financial year are disclosed in Note 37 of the financial statement on page 97 to page 99 of this annual report.

PROFIT GUARANTEES

There were no profit guarantees given by the Company during the financial year ended 29 February 2012.

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 29 February 2012.

REVALUATION POLICY

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

STATEMENT OF INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") requires the Board of Directors of public listed companies to include in its Annual Report a "statement about the state of internal control of the listed issuer as a group".

The Board of Directors of Eupe Corporation Berhad ("the Board") is committed to maintaining a sound system of internal control in the Group, comprising the Company and all its subsidiaries, and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year.

BOARD RESPONSIBILITIES

The Board is ultimately responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets. Because of the limitations that are inherent in any system of internal control, this system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter-alia, financial, organisational, operational and compliance controls and risk management..

Following the publication of the Statement on Internal Control: Guidance for Directors of Public Listed Companies (the "Internal Control Guidance"), the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board, through its Audit Committee, regularly reviews the result of this process. This process was in place throughout the financial year under review. The Board also confirms that, going forward, this process will be reviewed periodically to ensure it accords with the Internal Control Guidance.

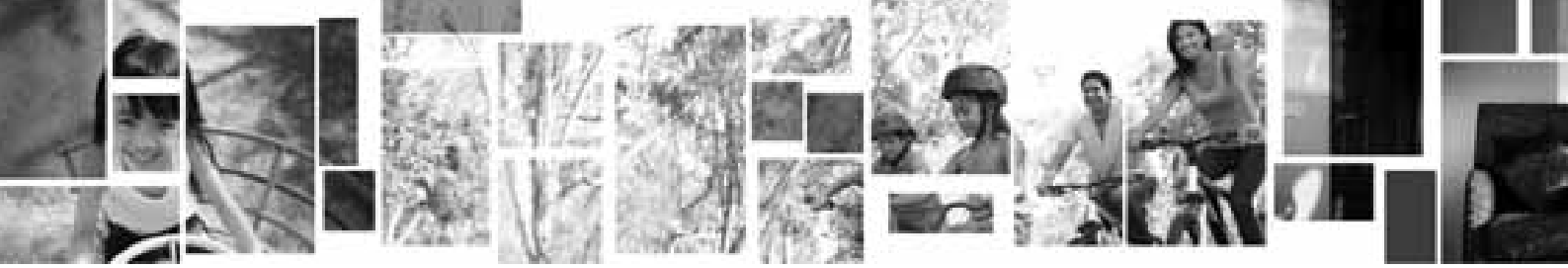
ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group has a Risk Management Manual which outlines the enterprise risk management framework for the divisions of the Group, as prepared by a firm of consultants. Regular risk update exercises are carried out by the management with assistance from the firm of consultants. In view that there has been no change to the operating environment, no update was required to be carried out on the Group's risk management within the period under review. However, 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 has outsourced its Internal Audit function to a firm of consultants. The Internal Audit function adopts the risk-based methodology in its review of the key processes of the identified operating units in the Group and provides 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 cost incurred for the financial year ended 29 February 2012 is RM23,000 and the key activities carried out by the Internal Audit function were as follows:



STATEMENT OF INTERNAL CONTROL (Continued)

INTERNAL AUDIT FUNCTION (Continued)

1) Carried out an Internal Audit engagement covering the quality management of the property development and construction division, and portfolio management of Cinta Sayang Resort. The internal audit report highlighting the salient observations was presented to the Audit Committee on 18 October 2011.

2) Tabled the detailed Internal Audit plan for the forthcoming financial year to the Audit Committee on 13 June 2011.

3) Another Internal Audit engagement covering the control over project wastages of the property development and construction division, and customer service management of Cinta Sayang Resort is on-going. The internal audit report highlighting the salient observations is expected to be presented to the Audit Committee in October 2012.

The effectiveness of the systems of internal control is also reviewed through an on-going management appraisal of the effectiveness of its operations and the MS ISO 9001:2008 certification of 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. External audits conducted by Lloyds' representatives were completed in 19 March 2012 for the construction division.

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 Group's internal control system in safeguarding the shareholders' investment and the Group's assets.

The Internal Audit function also monitors and reports on the status of Management follow ups on the implementation of Management action plans to improve areas where control deficiencies were noted during internal audit.

OTHER RISK AND CONTROL PROCESSES

Apart from risk management and internal audit, the Board has put in place the following pertinent measures to strengthen the internal control system of the Group:

- 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.

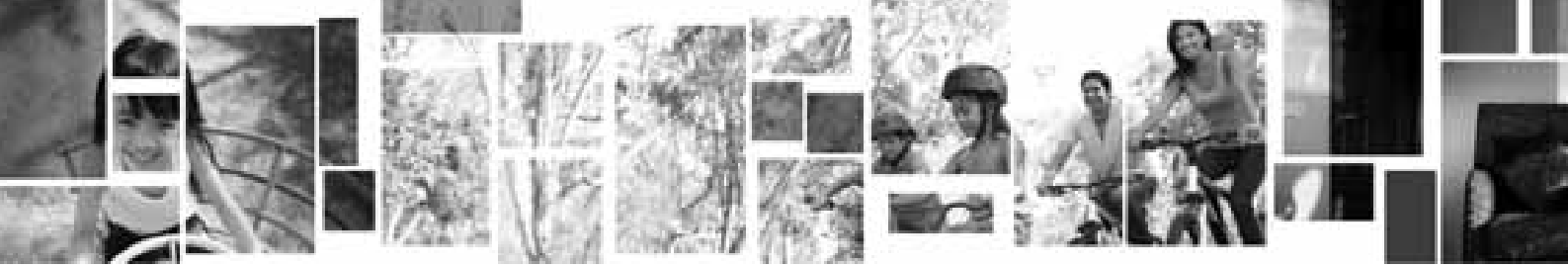
STATEMENT OF INTERNAL CONTROL (Continued)

THE BOARD'S COMMITMENT

The Board remains committed towards maintaining a sound system of internal control and believes that a balanced achievement of the Group's business objectives and operational efficiency can be attained. There were no material losses incurred during the current financial year as a result of weaknesses in internal control. The Board and Management continue to take pertinent measures to strengthen the control environment, as appropriate.

Pursuant to paragraph 15.23 of the LR of Bursa Malaysia, the external auditor has reviewed this statement for inclusion in the Annual Report of the Group for the year ended 29 February 2012 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

This statement is issued in accordance with a resolution of the Directors dated 25 July 2012.



AUDIT COMMITTEE REPORT

COMPOSITION

The present members of the Committee comprise :

Chairman:

Dato' Jaafar Bin Jamaludin	*Independent Non-Executive Director*

Members:

Dato' Paduka Haji Ismail bin Haji Shafie	*Independent Non-Executive Director*
Tan Hiang Joo	*Independent Non-Executive Director*
Kek Jenny	*Independent Non-Executive Director*

MEETINGS

The Audit Committee convened four meetings during the financial year. Save for Dato' Jaafar Bin Jamaludin and Miss Kek Jenny who attended three meetings, the other directors attended all four meetings. 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: 2008 certification, under 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 19 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.

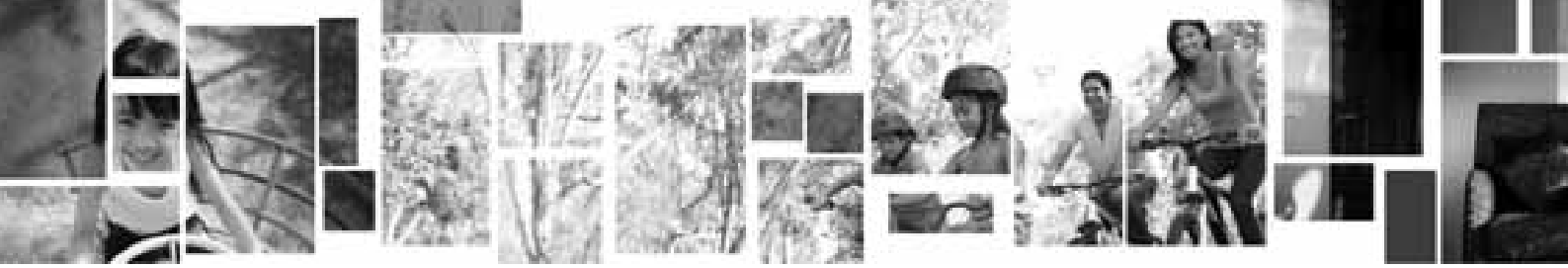
All members of the Audit Committee shall be financially literate and at least one member of the Audit Committee:

- 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.



AUDIT COMMITTEE REPORT (Continued)

TERMS OF REFERENCE (Continued)

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 once 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.

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.

AUDIT COMMITTEE REPORT (Continued)

TERMS OF REFERENCE (Continued)

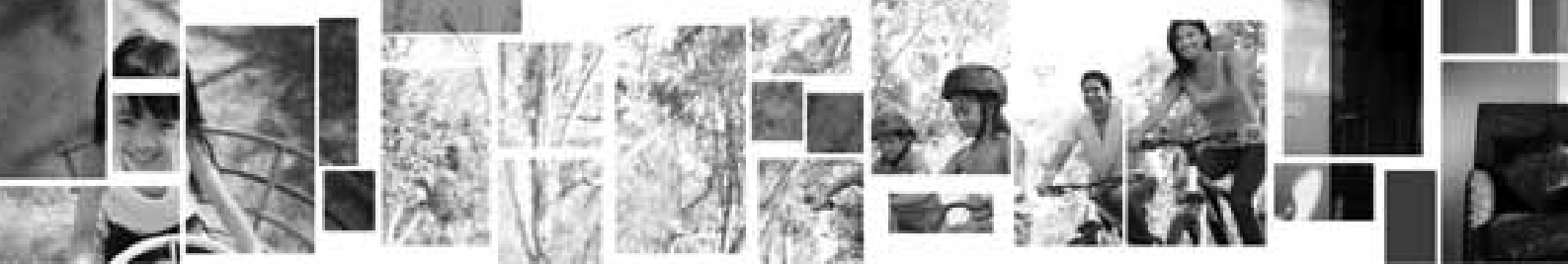
Internal Audit

- 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 hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 29 February 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are indicated in Note 7 to the financial statements.

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

RESULT OF OPERATIONS

	GROUP RM	COMPANY RM
Net profit/(loss) for the financial year	9,199,842	(217,661)
Attributable to:		
Equity holders of the Company	6,566,721	(217,661)
Minority interest	2,633,121	-
	9,199,842	(217,661)

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.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

DIRECTORS' REPORT (Continued)

OPTIONS GRANTED OVER UNISSUED SHARES

No new options were granted to any person to take up unissued shares of the Company since the end of the previous financial year.

DIRECTORS

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

Dato' Beh Huck Lee (Managing Director)

Dato' Jaafar bin Jamaludin

Datin Paduka Teoh Choon Boay

Tan Hiang Joo

Kek Jenny

Muhamad Faisal bin Tajudin

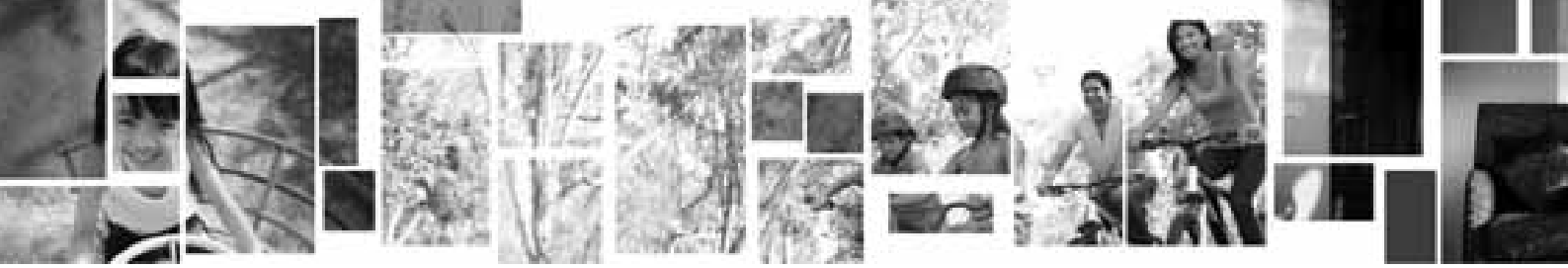
Dato' Paduka Haji Ismail bin Haji Shafie

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES

The Directors holding office at the end of the financial year and their beneficial interest in the ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary share and debentures of its related corporations at the end of the financial year ended 29 February 2012 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 RM 1 each			
	At 1.3.2011	Bought	Sold	At 29.2.2012
Shares in the Company				
Direct interests				
Datin Paduka Teoh Choon Boay	234,416	-	-	234,416
Tan Hiang Joo	10,000	-	-	10,000
Dato' Beh Huck Lee	3,500,000			3,500,000
Indirect interests				
Dato' Beh Huck Lee	53,314,989	-	-	53,314,989
Datin Paduka Teoh Choon Boay	53,514,389	-	-	53,514,389
Muhamad Faisal bin Tajudin	31,008,392	-	-	31,008,392



DIRECTORS' REPORT (Continued)

DIRECTORS' INTEREST IN SHARES (Continued)

By virtue of their interest 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 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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the Statement of Financial Positions and Statement of Comprehensive Incomes 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 had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets 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.

DIRECTORS' REPORT (Continued)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Continued)

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

(a) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; 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.

(b) In the opinion of the Directors:

(a) 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

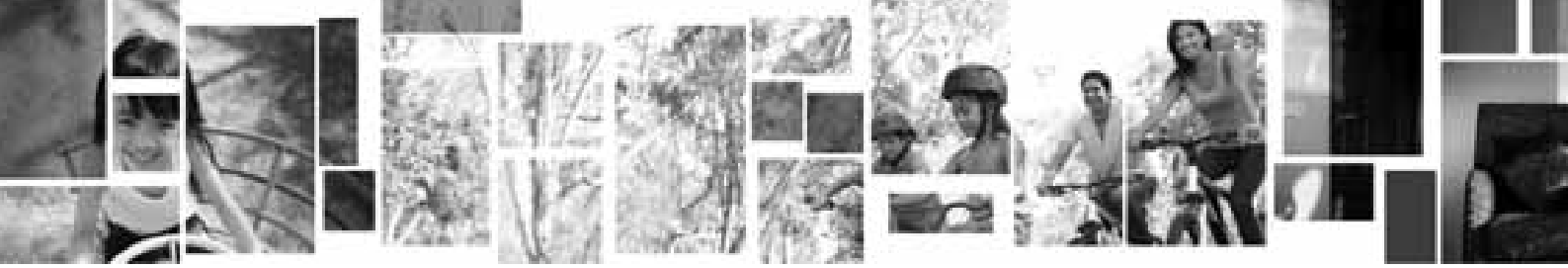
(iii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(a) There are no charges in 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.

(b) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(c) 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.



DIRECTORS' REPORT (Continued)

AUDITORS

The auditors, Messrs RSM Robert Teo, Kuan & Co., have expressed their willingness to continue in office.

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

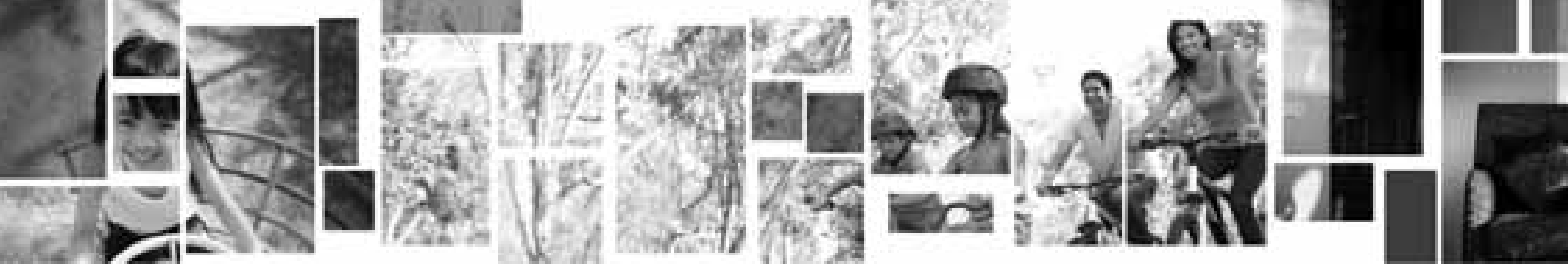
MUHAMAD FAISAL BIN TAJUDIN

DATO' BEH HUCK LEE

Kuala Lumpur
22 June 2012

STATEMENTS OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2012

		GROUP		COMPANY	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	**76,835,530**	78,582,407	**204**	604
Investments in subsidiaries	7	**-**	-	**116,921,213**	116,917,599
Investments in joint venture	8	**828,791**	-	**-**	-
Other investments	9	**164,184**	159,182	**-**	-
Land held for property development	10	**107,018,270**	125,063,787	**-**	-
Investment properties	11	**29,834,160**	21,918,000	**-**	-
Deferred plantation expenditure	12	**246,377**	371,271	**-**	-
Deferred tax assets	13	**1,283,675**	1,344,626	**-**	-
		216,210,987	227,439,273	**116,921,417**	116,918,203
Current assets					
Property development costs	14	**61,638,936**	49,573,441	**-**	-
Inventories	15	**13,951,517**	20,889,370	**-**	-
Trade and other receivables	16	**43,053,090**	33,519,470	**4,500**	4,500
Amount owing from subsidiaries	17	**-**	-	**37,782,888**	37,845,329
Sinking and redemption funds	18	**879,664**	784,908	**-**	-
Tax recoverable		**1,510,652**	2,871,695	**399,936**	369,102
Cash and cash equivalents	19	**23,898,299**	15,358,356	**88,794**	86,775
		144,932,158	122,997,240	**38,276,118**	38,305,706
TOTAL ASSETS		**361,143,145**	350,436,513	**155,197,535**	155,223,909



STATEMENTS OF FINANCIAL POSITION (Continued)

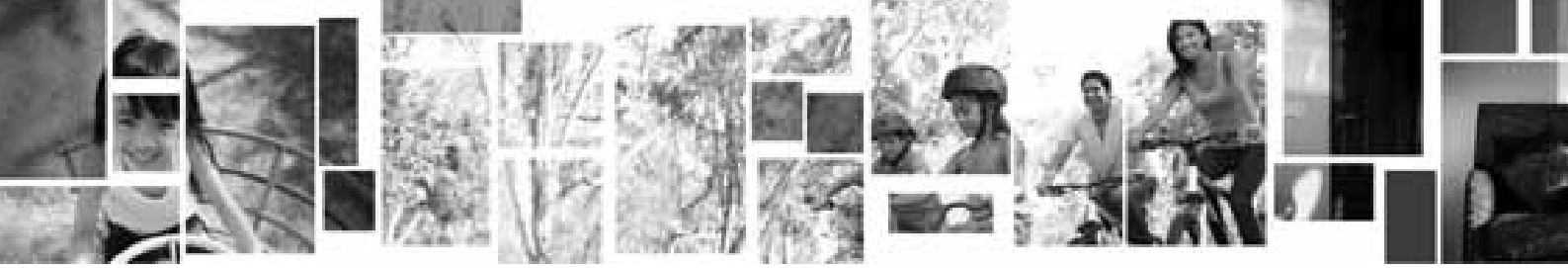
AS AT 29 FEBRUARY 2012

	Note	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	**128,000,000**	128,000,000	**128,000,000**	128,000,000
Reserves	21	**119,282,781**	112,373,763	**23,973,296**	23,848,660
		247,282,781	240,373,763	**151,973,296**	151,848,660
Non-controlling interest		**6,046,396**	3,413,275	**-**	-
TOTAL EQUITY		**253,329,177**	243,787,038	**151,973,296**	151,848,660
LIABILITIES					
Non-current liabilities					
Borrowings	22	**15,018,571**	10,829,707	**-**	-
Deferred tax liabilities	13	**16,905,861**	17,087,419	**-**	-
		31,924,432	27,917,126	**-**	-
Current liabilities					
Trade and other payables	28	**55,122,520**	62,205,893	**55,490**	51,500
Amount owing to subsidiaries	17	**-**	-	**3,168,749**	3,323,749
Provisions	29	**4,217,804**	1,738,588	**-**	-
Borrowings	22	**15,740,768**	13,903,486	**-**	-
Current tax payable		**808,444**	884,382	**-**	-
		75,889,536	78,732,349	**3,224,239**	3,375,249
TOTAL LIABILITIES		**107,813,968**	106,649,475	**3,224,239**	3,375,249
TOTAL EQUITY AND LIABILITIES		**361,143,145**	350,436,513	**155,197,535**	155,447,071

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2012

		GROUP		COMPANY	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
REVENUE	30	**143,052,023**	124,166,186	**260,004**	2,332,000
COST OF SALES	31	**(116,220,706)**	(97,845,598)	**-**	-
GROSS PROFIT		**26,831,317**	26,320,588	**260,004**	2,332,000
OTHER OPERATING INCOME		**1,929,861**	1,513,942	**30,375**	-
MARKETING AND DISTRIBUTION COSTS		**(2,144,560)**	(4,021,778)	**-**	-
ADMINISTRATIVE EXPENSES		**(8,809,361)**	(9,332,405)	**(215,258)**	(231,402)
OTHER OPERATING EXPENSES		**(2,781,592)**	(2,660,009)	**(323,616)**	(214,516)
FINANCE COSTS		**(1,322,072)**	(1,067,074)	**-**	-
SHARE OF RESULTS IN JOINT VENTURE		**(3,142)**	-	**-**	-
PROFIT/(LOSS) BEFORE TAX	32	**13,700,451**	10,753,264	**(248,495)**	1,886,082
TAX EXPENSE	33	**(4,500,609)**	(4,008,144)	**30,834**	(500,203)
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**9,199,842**	6,745,120	**(217,661)**	1,385,879
OTHER COMPREHENSIVE INCOME					
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION		**342,297**	-	**342,297**	-
TOTAL COMPREHENSIVE INCOME		**9,542,139**	6,745,120	**124,636**	1,385,879



STATEMENTS OF COMPREHENSIVE INCOME (Continued)

FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2012

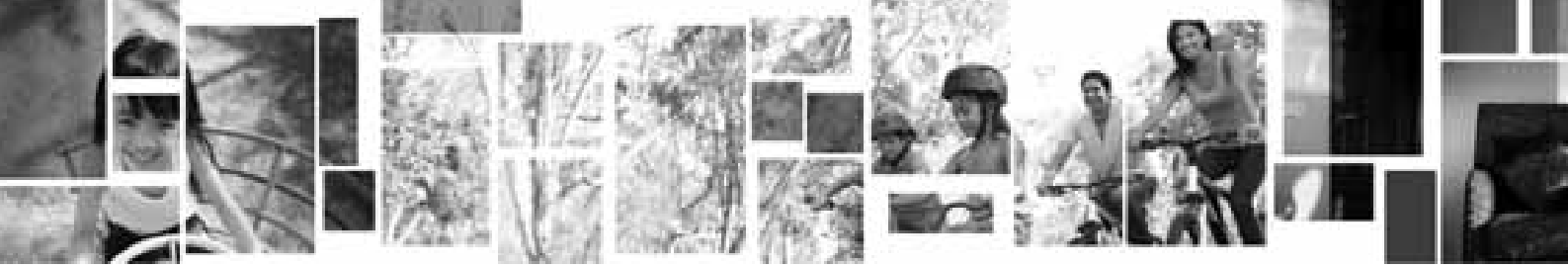
		GROUP		COMPANY	
	Note	2012 RM	2011 RM	2012 RM	2011 RM
Profit/(Loss) attributable to:					
Equity holders of the Company		**6,566,721**	4,980,285	**(217,661)**	1,385,879
Non-controlling interest		**2,633,121**	1,764,835	**-**	-
		9,199,842	6,745,120	**(217,661)**	1,385,879
Total comprehensive income attributable to:					
Equity holders of the Company		**6,909,018**	4,980,285	**124,636**	1,385,879
Non-controlling interest		**2,633,121**	1,764,835	**-**	-
		9,542,139	6,745,120	**124,636**	1,385,879
Basic earnings per ordinary share attributable to equity holders of the Company (sen)	34	**5.13**	3.89		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2012

	← Attributable to equity holders of the Company →							
	← Non-distributable →				Distributable			
GROUP	**Ordinary share capital RM**	**Share premium RM**	**Share options reserve RM**	**Translation reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
Balance as at 1 March 2010	128,000,000	5,982,397	2,009,250	-	99,401,831	235,393,478	1,648,440	237,041,918
Expiry of ESOS	-	-	(2,009,250)	-	2,009,250	-	-	-
Total comprehensive income for the financial year	-	-	-	-	4,980,285	4,980,285	1,764,835	6,745,120
Balance as at 28 February 2011	128,000,000	5,982,397	-	-	106,391,366	240,373,763	3,413,275	243,787,038
Total comprehensive income for the financial year	-	-	-	342,297	6,566,721	6,909,018	2,633,121	9,542,139
Balance as at 29 February 2012	128,000,000	5,982,397	-	342,297	112,958,087	247,282,781	6,046,396	253,329,177

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



STATEMENTS OF CHANGES IN EQUITY (Continued)

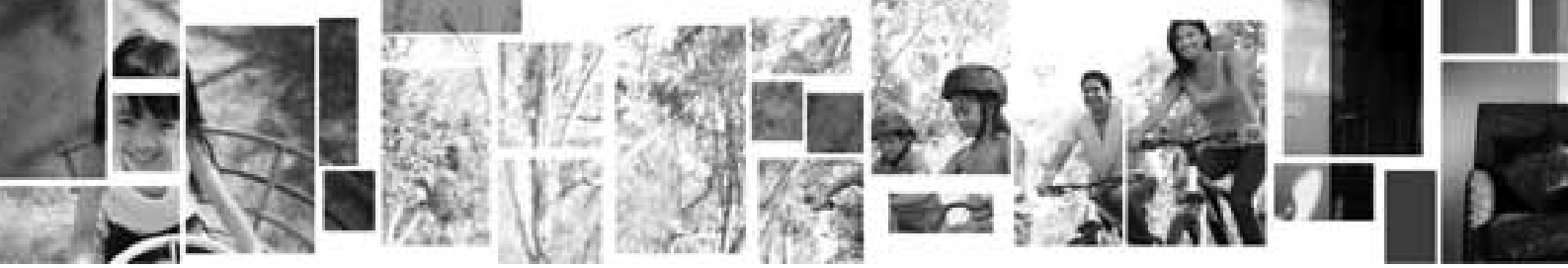
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2012

	← Non-distributable			→	Distributable	
COMPANY	**Ordinary share capital RM**	**Share premium RM**	**Share options reserve RM**	**Translation reserve**	**Retained earnings RM**	**Total RM**
Balance as at 1 March 2010	128,000,000	5,982,397	2,009,250	-	14,471,134	150,462,781
Expiry of ESOS	-	-	(2,009,250)	-	2,009,250	-
Total comprehensive income for the financial year	-	-	-	-	1,385,879	1,385,879
Balance as at 28 February 2011	128,000,000	5,982,397	-	-	17,866,263	151,848,660
Total comprehensive income for the financial year	-	-	-	342,297	(217,661)	124,636
Balance as at 29 February 2012	128,000,000	5,982,397	-	342,297	17,648,602	151,973,296

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2012

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	**142,032,542**	98,197,928	**-**	-
Cash payments to suppliers and creditors	**(102,535,249)**	(62,305,456)	**-**	-
Cash payments to employees and for expenses	**(18,291,056)**	(21,606,675)	**(534,485)**	(446,308)
Cash generated from/(used in) operations	**21,206,237**	14,285,797	**(534,485)**	(446,308)
Insurance claim received	**180,200**	206,459	**-**	-
Rental income received	**451,576**	225,129	**-**	-
Bank overdraft interest paid	**(116,976)**	(131,992)	**-**	-
Deposit received/(paid)	**377,184**	(1,803,031)	**-**	-
Tax refund	**2,069,743**	-	**-**	-
Tax paid	**(5,405,853)**	(3,170,683)	**-**	-
Net cash from/(used in) operating activities	**18,762,111**	9,611,679	**(534,485)**	(446,308)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary companies	**-**	-	**(3,614)**	-
Advances from joint venture partner	**2,325,000**	-	**-**	-
Advances to subsidiaries	**-**	-	**280,114**	328,400
Subsequent expenditure on investment properties [Note 11]	**-**	(167,128)	**-**	-
Repayments to subsidiaries	**-**	-	**-**	(1,608,252)
Deposit paid for acquisition of leasehold land	**(14,349,405)**	-	**-**	-
Dividend received	**2,852**	2,544	**260,004**	1,788,000
Interest income received	**533,682**	175,195	**-**	-
Investment in joint venture	**(831,933)**	-	**-**	-
Investment in unit trust	**(5,235)**	(3,483)	**-**	-
Proceeds from disposal of property, plant and equipment	**-**	32,000	**-**	-
Purchase of property, plant and equipment*	**(2,393,313)**	(727,990)	**-**	-
Net placement of fixed deposits	**(199,908)**	(214,309)	**-**	-
Net cash (used in)/from investing activities	**(14,918,260)**	(903,171)	**536,504**	508,148



STATEMENTS OF CASH FLOWS (Continued)
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2012

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loan	**9,479,000**	8,500,000	**-**	-
Drawdown of revolving credit	**5,400,000**	9,000,000	**-**	-
Net creation of bankers' acceptances	**159,000**	58,000	**-**	-
Repayments of term loan	**(2,696,134)**	(3,769,739)	**-**	-
Repayments of revolving credit	**(5,800,000)**	(11,900,000)	**-**	-
Repayments of hire-purchase	**(15,589)**	(8,630)	**-**	-
Term loan interest paid	**(1,018,785)**	(761,936)	**-**	-
Revolving credit interest paid	**(340,783)**	(246,660)	**-**	-
Discount paid on bankers' acceptances	**(174,840)**	(156,866)	**-**	-
Hire-purchase interest paid	**(3,971)**	(2,780)	**-**	-
Advances from Directors	**(3,614)**	-	**-**	-
Net cash from financing activities	**4,984,284**	711,389	**-**	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	**8,828,135**	9,419,897	**2,019**	61,840
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**12,677,407**	3,257,510	**86,775**	24,935
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 19)	**21,505,542**	12,677,407	**88,794**	86,775

* Acquisition of property, plant and equipment of the Group and of the Company during the financial year are financed by:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash	**2,393,313**	727,990	**-**	-
Hire purchase	**-**	85,000	**-**	-
	2,393,313	812,990	**-**	-

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

NOTES TO THE FINANCIAL STATEMENTS
29 FEBRUARY 2012

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are indicated in Note 7 to the financial statements.

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act 1965 and the applicable approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB"), except that supplementary information on the disclosure of realised and unrealised profit or loss has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive issued by Bursa Malaysia Securities Berhad.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

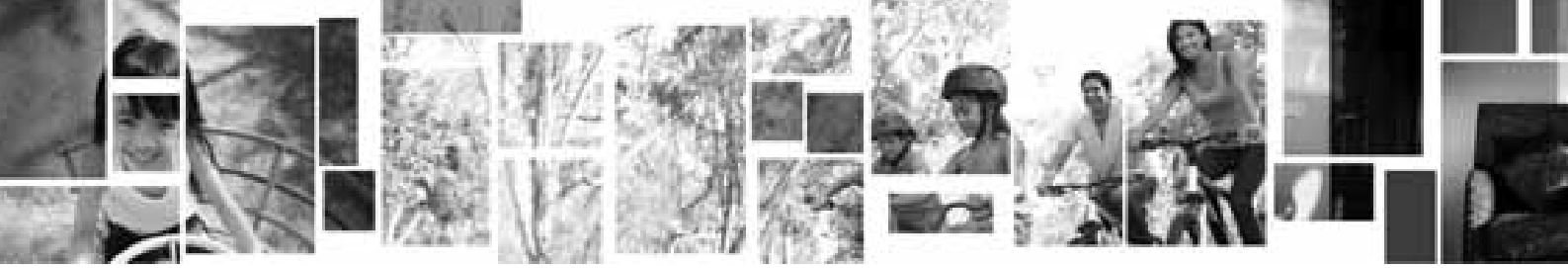
The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the financial statements.

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 judgments, estimates and assumptions are disclosed in Note 5 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.

3.2 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.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 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 profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transactions, 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 statement of comprehensive income.

Non-controlling 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

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.

Non-controlling interest is presented in the consolidated statement of financial position within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

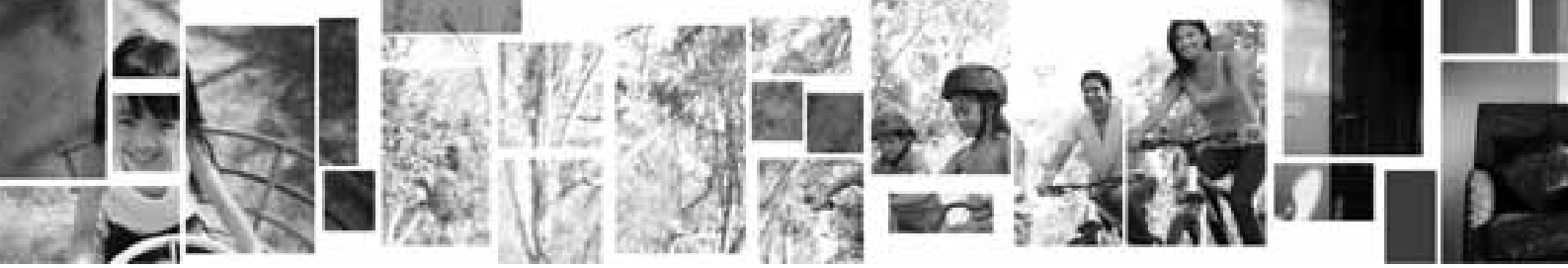
Non-controlling interest in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

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 statement of comprehensive income. 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.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Investments

(a) 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 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 the profit or loss.

(b) Joint controlled entities

Joint controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties. The Group's interest in joint controlled entities are accounted for under the equity method of accounting based on the latest audited and/or management financial statements of the jointly controlled entities made up to 29 February 2012.

Under this method of accounting, the Group's investment in jointly controlled entities is included in the consolidated statement of financial position at anamount that reflects its share of the net assets of the jointly controlled entities.

When the Group transacts with its jointly controlled entities, unrealized gains or losses are eliminated to the extent of the Group's interest in the jointly controlled entities except where unrealised losses provide evidence of an impairment of the asset transferred.

(c) 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 and 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 reporting date.

Upon disposal of such investment are the difference between net disposal proceeds and its carrying amount is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 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 profit or loss 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 deprecation and accumulated impairment losses, if any.

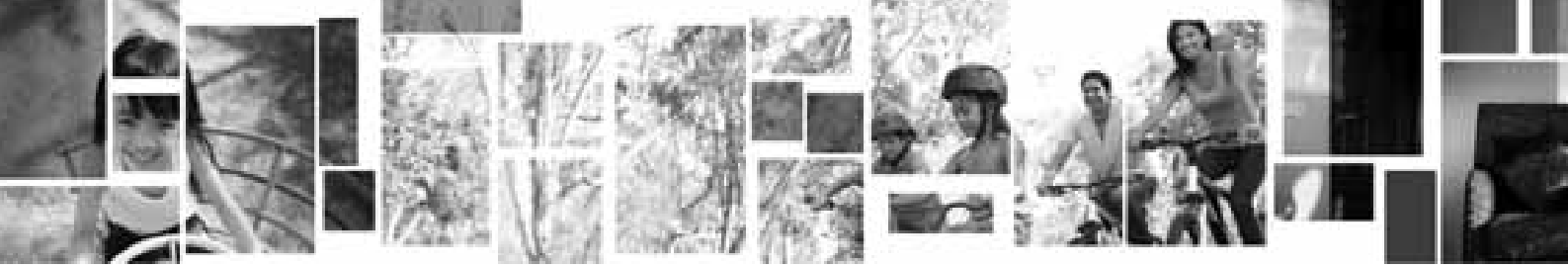
Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

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-in-progress is not depreciated until such time when the asset is available for use.

At each reporting 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 3.10 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.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Property, plant and equipment and depreciation (Continued)

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, the carrying amount is included in the profit or loss.

3.5 Property development activities

(a) 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.

(b) 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 the profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in the profit or loss, the balance is classified as progress billings under current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 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.

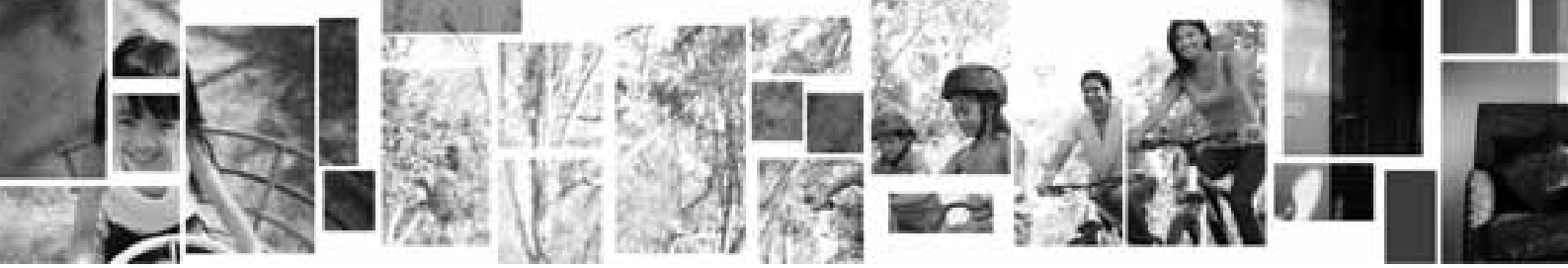
3.7 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Building fittings that are attached to the buildings are also classified as investment properties. 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 reporting 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 the profit or loss in the financial 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 the profit or loss in the period of the retirement or disposal.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Leases and hire-purchase

(a) 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 determined; 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.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in the profit or loss 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.

(b) 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.

(c) 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 interest 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Leases and hire-purchase (Continued)

(c) Leases of land and buildings

The buildings element is classified as a finance or operating lease in accordance with Note 3.8(a) or Note 3.8 (b) 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 remaining lease period of 38 years are amortised over the original period of 54 years.

3.9 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 profit or loss on a systematic basis of 10 years commencing from the year of harvesting.

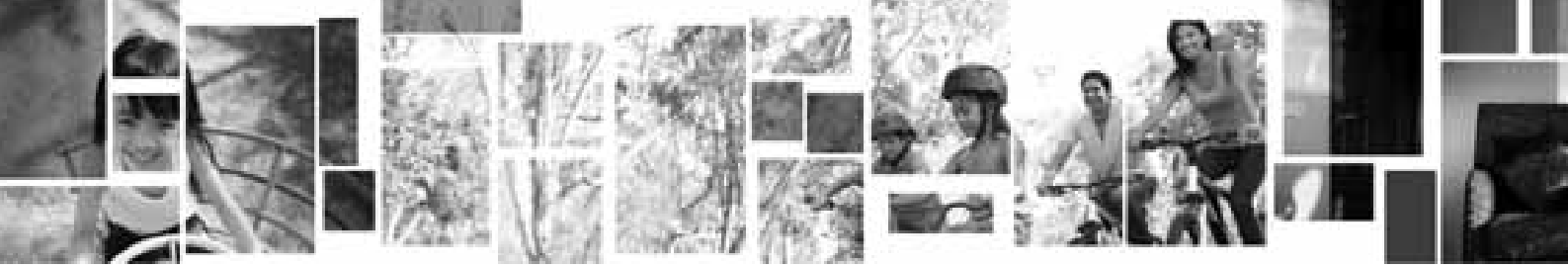
3.10 Impairment of non-financial assets

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 reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for the 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 or loss immediately.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Impairment of non-financial assets (Continued)

An impairment loss for asset 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 or loss.

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

(a) Unsold completed properties

The cost of unsold completed properties held for sale comprises cost associated with the acquisition of land, direct costs, appropriate proportions of common costs and other costs of bringing the inventories to their present location and condition.

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.

(b) Building materials and resort operating supplies

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.

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

3.11 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

3.12 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Payables

Trade and other amounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other amounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.14 Interest bearing loans and borrowings

(a) All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transactions 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 profit or loss 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 profit or loss. 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 reporting date.

(b) Capitalisation of borrowing costs

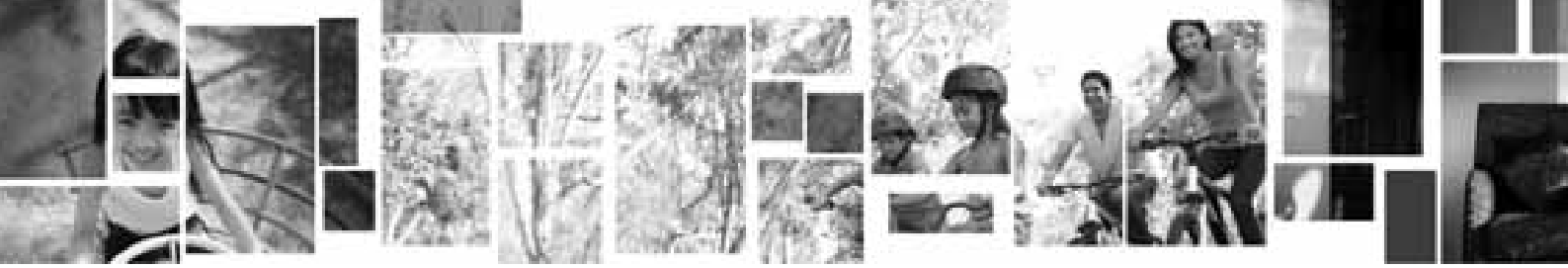
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. 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 the profit or loss in the period in which they are incurred.

3.15 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 profit or loss.

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



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Equity instruments (Continued)

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 the statement of comprehensive income 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.

3.16 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 statement of financial position 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.

3.17 Financial instruments

A. Financial assets

Description

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

(a) Initial recognition and measurement

A financial asset is recognised on the statement of financial positon when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. When the financial asset is recognised initially, it is measured at fair value which is normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Financial instruments (Continued)

A. Financial assets (Continued)

(b) Subsequent measurement

Subsequent measurement of financial assets depends on the classification of the financial assets on initial recognition and the purpose for which thefinancial assets were acquired. The Group classifies the financial assets in the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other income or other losses.

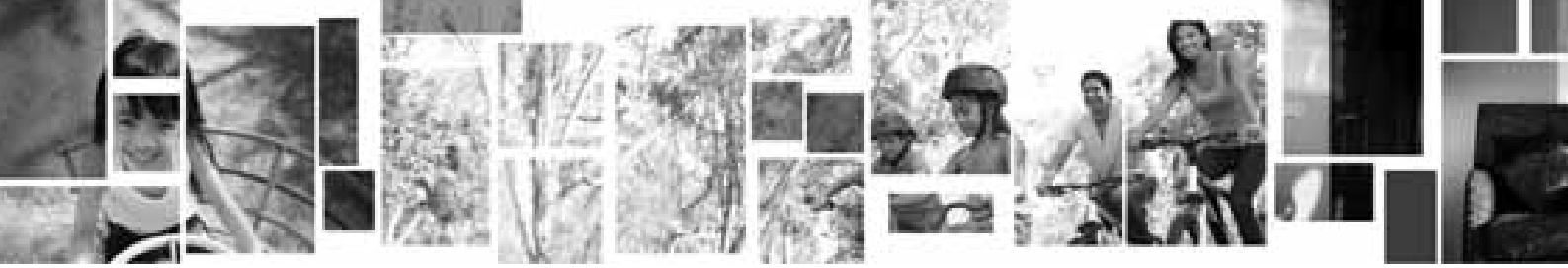
Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Assets that are for sale immediately or in the near term are not classified in this category.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method except that short term duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant minus any reduction for impairment or uncollectibility. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Financial instruments (Continued)

A. Financial assets (Continued)

(c) Derecognition of financial assets

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

(d) Regular way purchases or sales

Regular way purchases or sales or sales are purchases or sales of financial asset that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is, the date that the Group commit to purchase or sell the asset.

(e) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

An impairment loss is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, a breach of contract or adverse changes in the payment status of the receivable are considerations to determine whether there is any objective evidence that the trade receivable is impaired. To the extent possible, impairment is determined individually for each item. In cases where that process is not possible, a collective evaluation of impairment is performed. As a consequence, the way individual and collective evaluation is carried out and the timing relating to the identification of objective evidence of impairment require significant judgment and may materially affect the carrying amount of receivables at the reporting date.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Financial instruments (Continued)

B. Financial liabilities

(a) Initial recognition and measurement

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. On initial recognition, the financial liability is recognised at fair value. The fair value is normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

(b) Subsequent measurement

Financial liabilities falling within the scope of FRS 139 are classified according to the substance of the contractual arrangements entered into.

Subsequent measurement based on the Group's classification of the financial liabilities is as follow:

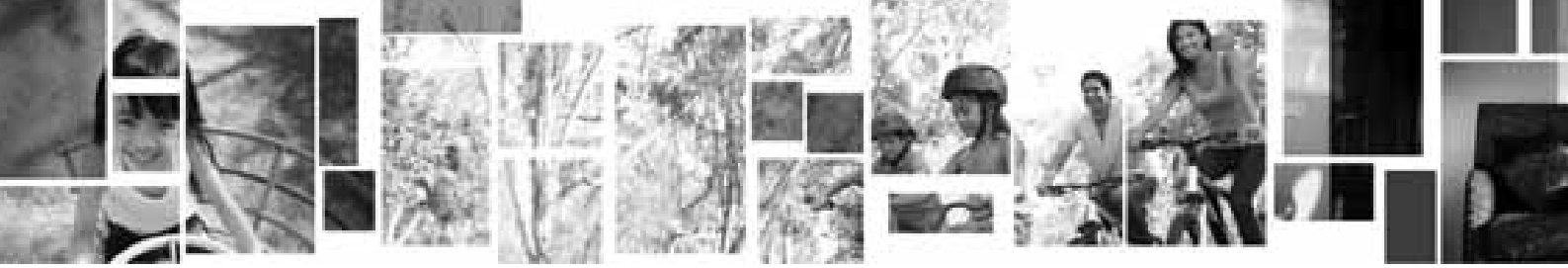
(i) Other financial liabilities

The Group or the Company other financial liabilities include trade payables, other payables, amount owing to subsidiaries, deposits and loans and borrowings.

Trade and other payables, amount owing to subsidiaries and deposits are recognised initially at fair value plus directly attributable transactions costs, and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 Financial instruments (Continued)

B. Financial liabilities (Continued)

(b) Subsequent measurement (Continued)

(ii) Financial guarantee contracts

The Group has issued corporate guarantee to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Group to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Group's statement of financial position. Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Group will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to bank in the Group's statement of financial position.

The corporate guarantee to the banks did not give rise to a material financial impact on the financial statements as a result of the adoption of FRS 139. The corporate guarantee to banks has been disclosed as a contingent liability in Note 38 to the financial statements.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.18 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 profit or loss when significant risks and rewards of ownership have been transferred to the customers.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Revenue recognition (Continued)

(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 repoting 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

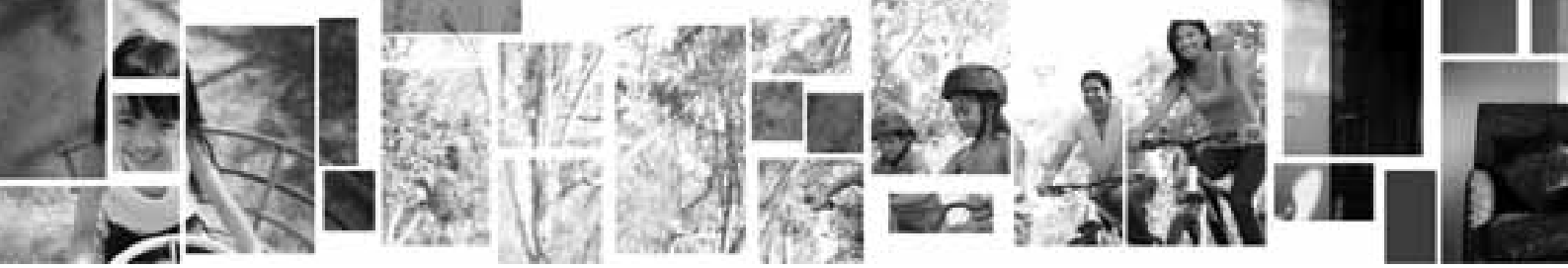
Revenue from the provision of tuition, sports and recreation services is recognised upon rendering of these services unless collectibility is in doubt.

(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.

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.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Revenue recognition (Continued)

(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.

3.19 Employee benefits

(a) 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.

(b) Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 Employee benefits (Continued)

(c) 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 reporting 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 the statement of comprehensive income, 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.

3.21 Income taxes

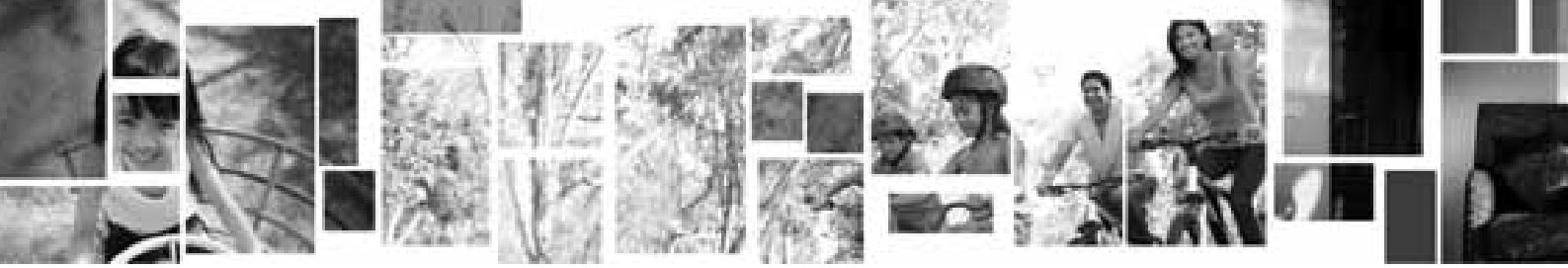
Income taxes include all domestic taxes on taxable profit and real property gains taxes payable on disposal of properties.

Taxes in the profit or loss comprise current tax and deferred tax.

(a) 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 is 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 reporting date.



3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 Income taxes (Continued)

(b) 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 statement of financial position 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 reporting 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 profit or loss 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 financial 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 reporting date.

3.22 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.

3.23 Earnings per share

The Group presents basic and dilutive earnings 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.24 Contingent liabilities and contingent assets

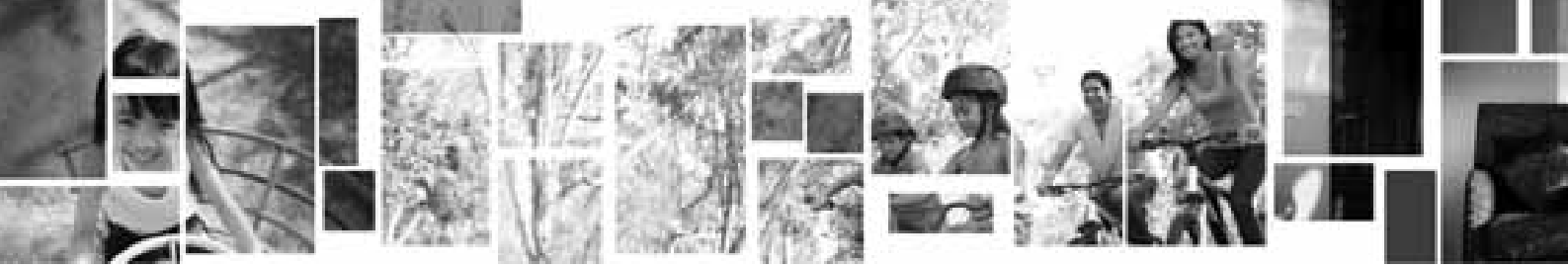
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow 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 recongise 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.

3.25 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transaction with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.



4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS

4.1 FRSs, Amendments to FRSs and Interpretations adopted

During the financial year, the Group and the Company adopted the following Financial Reporting Standards, amendments and IC ("Issues Committee") Interpretations as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (revised 2010)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (revised 2010)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretations 9	Reassessment of Embedded Derivatives

The improvements to FRSs issued in 2010 comprise amendments to the following FRSs that are effective for financial period beginning on or after 1 January 2011:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financing Reporting
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 13	Customer Loyalty Programmes

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (Continued)

4.1 FRSs, Amendments to FRSs and Interpretations adopted (Continued)

The adoption of the above Financial Reporting Standards, amendments and IC Interpretations have resulted in changes of certain accounting policies and classification adopted by the Group as well as presentation of financial statements as follows:

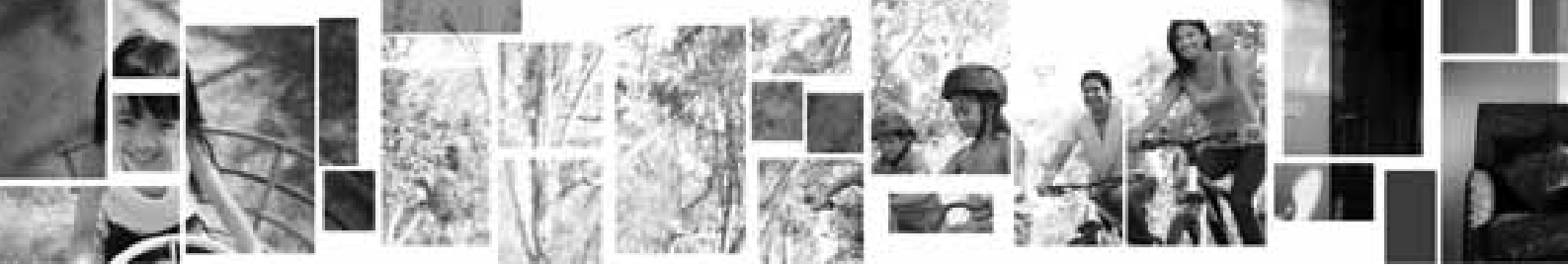
(a) Revised FRS 3 Business Combinations and FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual period beginning on or after 1 July 2010. The revised FRS 3 continues to apply the acquisition method to business combination but with some significant changes. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Prior to the adoption of this standard, contingent consideration in a business combination was recognised when it is probable that payment will be made. Acquisition-related costs were included as part of the cost of business combination. Any non-controlling interest in the acquiree was measured at the non-controlling's interest proportionate share of the acquiree's identifiable net assets. Any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group was accounted for as a revaluation.

In the revised FRS 3, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are recognised as expenses in the statement of comprehensive income in the period in which they are incurred. Goodwill arising from the business combination is measured as the difference between the aggregate fair value of consideration transferred, any non- controlling interest in the acquiree, and the fair value at acquisition date of any previously-held equity interest in the acquiree, and the fair value of identifiable assets acquired and liabilities assumed (including contingent liabilities) at acquisition date.

(b) FRS 127 Consolidated and Separate Financial Statements

Prior to the adoption of this revised FRS 127, losses within a subsidiary were attributed to non-controlling interest until the balance was reduced to nil. Any further excess losses were attributable to the Group. On the date of adoption of this revised FRS 127, total comprehensive income will be proportionately attributed to non-controlling interest even if the results in the non-controlling interest having a deficit balance.



4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (Continued)

4.1 FRSs, Amendments to FRSs and Interpretations adopted (Continued)

(b) FRS 127 Consolidated and Separate Financial Statements (Continued)

The revised FRS 127 requires that any changes in a parent's ownership interest in a subsidiary company that do not result in the loss of control are accounted for as equity transactions. When the Group loses control of a subsidiary company, any remaining interest retained in the former subsidiary company will be measured at fair value and any resulting gain or loss is recognised in the statement of comprehensive income. Total comprehensive income will be proportionately allocated to the owners of the parent and to the non-controlling interests even if it results in the non-controlling interests having a deficit balance. The profit and loss attributable to non-controlling interest in prior financial years is not restated.

The revised FRS 127 shall be applied prospectively to business combinations for which the acquisition date is on or after 1 March 2011. There is no material financial impact on the financial statements of the Group for the current financial year.

(c) Amendments to FRS7 Improving Disclosures about Financial Instruments

The disclosures on fair value and liquidity have been enhanced upon the adoption of this amendment. Financial instruments measured at fair value are disclosed by classify into three-level fair value measurement hierarchy. Reconciliation from the beginning balances to the ending balances between the three-level fair value measurement hierarchy is required. Comparative are not presented by virtue of the exemption given in the amendments.

There is no material impact on the financial statements arising from the adoption of this Standard.

(d) Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"

The amendments mainly provide guidance, clarify wordings and remove inconsistencies in existing FRSs. These amendments have extended some of the disclosure requirements under FRS7, such as the quantification of the extent to which collateral and other credit enhancements mitigate credit risk; removes certain disclosure requirements such as the carrying amount of renegotiated assets.

These changes are only presentational in nature and no material impact on the financial statements of the Group or the Company.

Other than those disclosed above, the adoption of the FRSs, amendments, improvements and interpretations to the existing standards that are effective and are applicable to the Group during the financial year do not have a material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

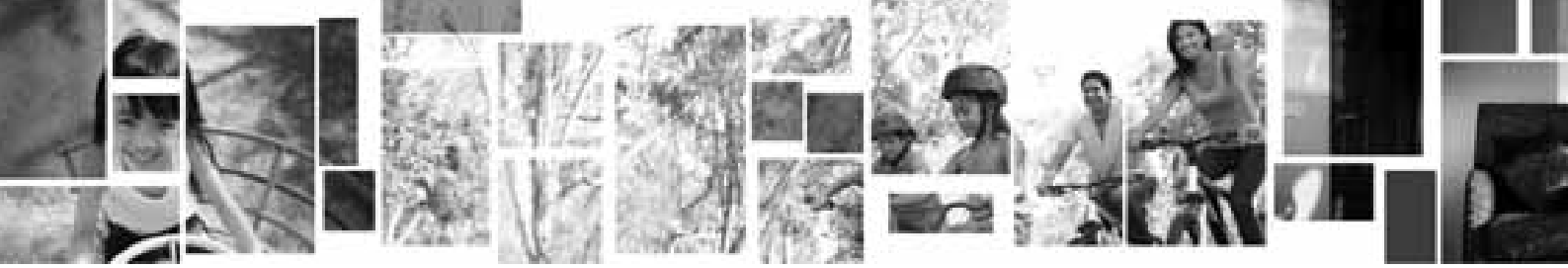
4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (Continued)

4.2 FRSs, Amendments to FRSs and Interpretations not adopted

The Group and the Company have not adopted the following FRSs, amendments and IC Interpretations that have been issued by the MASB as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124	Related Party Disclosures	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Disclosure - Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
Amendments to IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9	Financial Instruments	1 January 2015

The Group and the Company intend to apply the FRSs, Amendments and Interpretations that are applicable to the Group and the Company on the respective effective dates.



4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (Continued)

4.2 FRSs, Amendments to FRSs and Interpretations not adopted (Continued)

The Directors of the Company expect that the adoption of the above FRSs, Amendment to FRSs and interpretations will have no material impact on the Group's and the Company's financial statements in the period of initial application.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC Interpretation 15"), including its parent, significant investor and venture (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. Financial statements that are drawn up in accordance with the new MFRS framework will be equivalent to financial statements prepared by other jurisdictions which adopt IFRSs ("International Financial Reporting Standards").

The Group is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 28 February 2014. In presenting the Group's first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the financial year ended 29 February 2012 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of MFRSs for the financial year ending 28 February 2014.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) 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.

(i) 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 purpose. 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.

(ii) 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.

(b) Key sources of estimation uncertainty

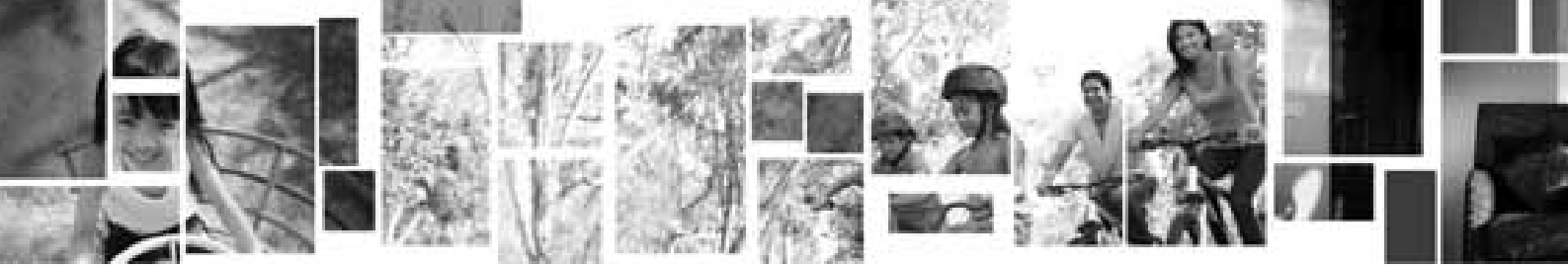
The following are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) 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 lives. 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.

(ii) Recognition of property development profits

The Group recognises property development revenue and expenses in the profit or loss 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.



5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(b) Key sources of estimation uncertainty (Continued)

(ii) Recognition of property development profits (Continued)

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.

(iii) Income tax and deferred tax estimation

Management judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are transactions and computations for which the ultimate tax determination may be difference from the initial estimate.

The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

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 timing and level of future taxable profits together with future tax planning strategies.

(iv) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group consider factors such as analyse historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(b) Key sources of estimation uncertainty (Continued)

(vi) Impairment of assets

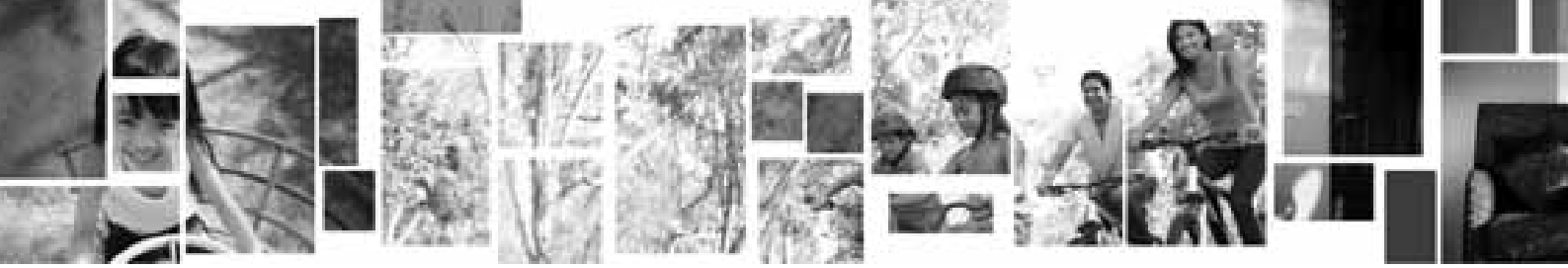
When the recoverable amount of an asset is determined based on the estimate of the value in use of the Cash Generating Unit ("CGU") to which the asset is allocated, the Directors and management is required to make an estimate of the expected future cash flows from the CGU and also to apply a suitable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

(vii) Fair value of investment properties

The fair value of each investment property is individually determined by independent registered valuer based on Cost and Investment Methods and Comparison Method of valuation or regular intervals.

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.

In the years that no valuation performed by the independent registered valuer, the Directors will perform the valuation based on the occupancy rate and rental yield. Comparison and reference will be made to the valuation previously performed by the independent registered valuer on that particular property.



6. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:-

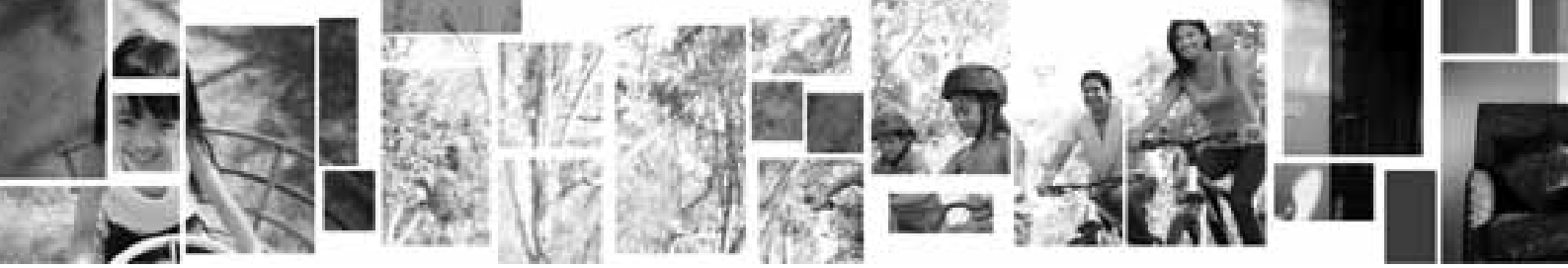
GROUP 2012	Freehold land RM	Leasehold land RM	Buildings RM	Renovation, electrical and amusement equipment RM	Motor vehicles RM	Motor vehicles under hire-purchase RM	Furniture, fittings and equipment RM	Sports equipment machinery and others RM	Total RM
Cost									
At 1 March 2011	24,545,777	40,000,000	19,930,596	6,999,321	2,022,864	696,104	10,142,616	15,688,574	120,025,852
Additions	-	-	-	1,342,782	73,000	-	383,131	594,400	2,393,313
Write-offs	-	-	-	-	(226,120)	-	(18,284)	(141,163)	(385,567)
Disposals	-	-	-	-	-	-	-	(11,000)	(11,000)
At 29 February 2012	24,545,777	40,000,000	19,930,596	8,342,103	1,869,744	696,104	10,507,463	16,130,811	122,022,598
Accumulated depreciation									
At 1 March 2011	-	11,070,708	5,565,239	5,011,686	1,950,806	618,014	7,797,876	9,429,116	41,443,445
Charge for the financial year	-	740,741	926,738	570,899	26,173	18,021	679,350	1,120,511	4,082,433
Write-offs	-	-	-	-	(226,116)	-	(18,155)	(83,539)	(327,810)
Disposals	-	-	-	-	-	-	-	(11,000)	(11,000)
At 29 February 2012	-	11,811,449	6,491,977	5,582,585	1,750,863	636,035	8,459,071	10,455,088	45,187,068
Net carrying amount									
At 29 February 2012	24,545,777	28,188,551	13,438,619	2,759,518	118,881	60,069	2,048,392	5,675,723	76,835,530

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

The details of property, plant and equipment are as follows:-

GROUP 2011	Freehold land RM	Leasehold 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	Total RM
Cost									
At 1 March 2010	24,545,777	40,000,000	19,967,503	6,938,966	2,016,907	606,000	9,818,288	15,479,310	119,372,751
Additions	-	-	14,150	61,095	25,957	90,104	338,087	283,597	812,990
Write-offs	-	-	(51,057)	-	-	-	(13,759)	(68,833)	(133,649)
Disposals	-	-	-	(740)	(20,000)	-	-	(5,500)	(26,240)
At 28 February 2011	24,545,777	40,000,000	19,930,596	6,999,321	2,022,864	696,104	10,142,616	15,688,574	120,025,852
Accumulated depreciation									
At 1 March 2010	-	10,329,967	4,658,191	4,495,169	1,949,756	606,000	7,108,551	8,431,708	37,579,342
Charge for the financial year	-	740,741	925,806	517,257	19,383	12,014	699,766	1,058,062	3,973,029
Write-offs	-	-	(18,758)	-	-	-	(10,441)	(55,154)	(84,353)
Disposals	-	-	-	(740)	(18,333)	-	-	(5,500)	(24,573)
At 28 February 2011	-	11,070,708	5,565,239	5,011,686	1,950,806	618,014	7,797,876	9,429,116	41,443,445
Net carrying amount									
At 28 February 2011	24,545,777	28,929,292	14,365,357	1,987,635	72,058	78,090	2,344,740	6,259,458	78,582,407



6. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Furniture, fittings and equipment RM
COMPANY	
2012	
COST	
At 1 March 2011/29 February 2012	8,633
Accumulated depreciation	
At 1 March 2011	8,029
Charge for the financial year	400
At 29 February 2012	8,429
Net carrying amount	
At 29 February 2012	204
2011	
COST	
At 1 March 2010/28 February 2011	8,633
Accumulated depreciation	
At 1 March 2010	7,629
Charge for the financial year	400
At 28 February 2011	8,029
Net carrying amount	
At 28 February 2011	604

Certain freehold land and buildings of the Group with net book value of RM22,547,977 (2011: RM22,714,042) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Note 23 and 25 to the financial statements.

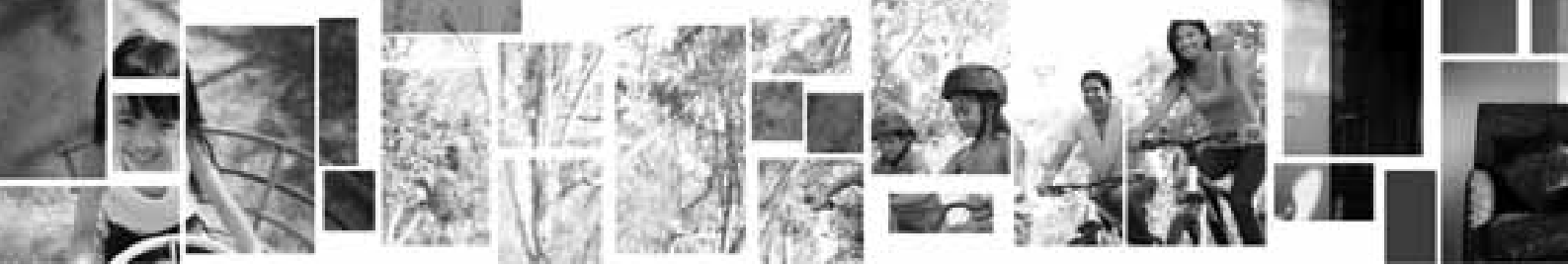
NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

7. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2012 RM	2011 RM
Unquoted shares, at cost	**116,921,213**	116,917,599

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

Name of company	Group's effective interest 2012 %	Group's effective interest 2011 %	Principal activities
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 Bhd.*	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
Australasia Development (M) Pte Ltd* # (formerly known as GLD Pty Ltd)	70	-	Property development
Australasia Development Pte Ltd* #	70	-	Property development
Subsidiary of Eupe Kemajuan Sdn. Bhd.			
Eupe Development Sdn. Bhd.	60	60	Property development
Eupe Bangsar South Development (JV) Sdn. Bhd.*	100	100	Dormant



7. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Group's effective interest 2012 %	2011 %	Principal activities
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
Subsidiaries of Eupe Golf Recreation & Tour Sdn. Bhd.			
Tadika Pro-Dedikasi Sdn. Bhd.*	51	51	Operating and management of a kindergarten
The Carnival Management Sdn. Bhd.*	100	100	Dormant
Cinta Sayang Management Sdn. Bhd.*	100	100	Dormant

* Companies not audited by RSM Robert Teo, Kuan & Co.

During the financial year, the Company acquired 70 ordinary shares of AUD1 each, being the 70% issued share capital of Australasia Development (M) Pte Ltd ("ADMPL") (formerly known as GLD Pty Ltd), a company incorporated in Australia for a cash consideration of AUD70. ADMPL has not commenced operations since its incorporation.

During the financial year, the Company acquired 700 ordinary shares of AUD1 each, being the 70% issued share capital of Australasia Development Pte Ltd ("ADPL"), a company incorporated in Australia for a cash consideration of AUD700. ADPL has not commenced operations since its incorporation.

Consolidation was based on management accounts from the date of incorporation to 29 February 2012 as no audited financial statements were available for these subsidiary companies. The directors are of the opinion that the figures for these two subsidiaries are insignificant to the Group.

The effects of these acquisitions on the financial results of the Group during the financial year are as follows:

	2012 RM
Revenue	-
Net loss for the financial year	(21,792)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

7. INVESTMENTS IN SUBSIDIARIES (Continued)

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

	Acquiree's carrying amount	Fair value recognised upon acquisition
Cash in hand	3,614	3,614
Total net assets	3,614	3,614
Purchase consideration discharged by cash:		3,614
Less: Cash and cash equivalents of the subsidiaries		(3,614)
Cash out flow on acquisition, net of cash and cash equivalents acquired		-

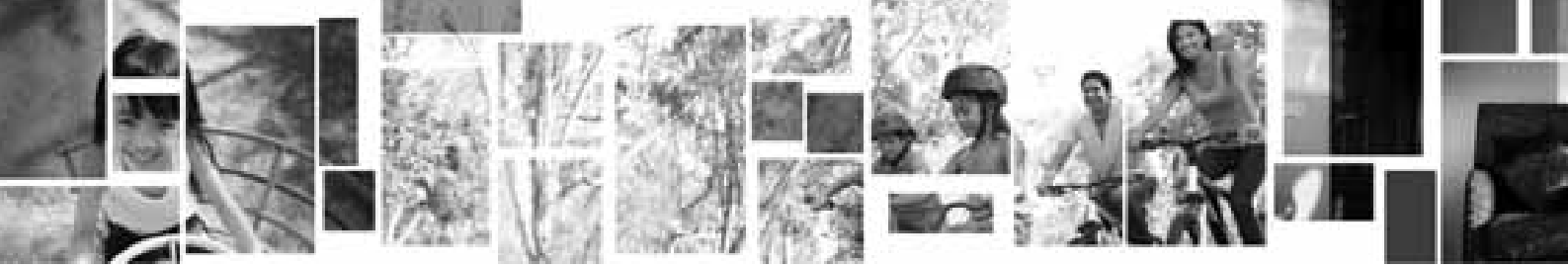
8. INVESTMENT IN JOINT VENTURE

	COMPANY	
	2012 RM	2011 RM
Unquoted shares, at cost	**828,791**	-

The joint venture company is incorporated in Australia as follows:-

Name of company	Group's effective interest 2012 %	Group's effective interest 2011 %	Principal activities
* Wealth Capital Pty Ltd	50	-	Property development

* The financial year of the jointly controlled entity is 30 June 2012.



8. INVESTMENT IN JOINT VENTURE (Continued)

The summarised financial information of the joint venture company, adjusted for Group's share is as follows:

	2012 RM	2011 RM
Assets and liabilities		
Current assets	**989,342**	-
Current liabilities	**990,842**	-
Results		
Other Income	**2,260**	-
Expenses	**5,402**	-
Loss for the year	**(3,142)**	-

9. OTHER INVESTMENTS

	GROUP	
	2012 RM	2011 RM
Quoted in Malaysia, at cost		
Investment in fixed income unit trusts	**164,184**	159,182
Market value of fixed income unit trusts	**164,184**	159,182

10. LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP	
	2012 RM	2011 RM
Cost		
Balance as at 1 March	**125,063,787**	89,802,542
Additions during the financial year	**5,000,359**	10,594,658
Transferred (to)/from property development costs	**(23,045,876)**	24,688,779
Disposal during the financial year	**-**	(22,192)
Balance as at 29/28 February	**107,018,270**	125,063,787
Freehold land, at cost	**69,954,369**	81,964,418
Development cost	**37,063,901**	43,099,369
	107,018,270	125,063,787

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

10. LAND HELD FOR PROPERTY DEVELOPMENT (Continued)

Freehold land with cost of RM15,368,450 (2011: RM16,256,257) 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.

Certain land held for future development with a carrying value of RM6,047,550 (2011: RM5,847,405) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Note 23.

Included in the development costs are interest charges paid to Perbadanan Kemajuan Negeri Kedah capitalised at 8% (2011: 8%) per annum during the financial year amounting to RM32,505 (2011: RM32,416).

11. INVESTMENT PROPERTIES

	GROUP	
	2012 RM	**2011 RM**
Balance as at 1 March	**21,918,000**	22,400,000
Additions during the financial year	**1,342**	167,128
Transfer from inventories	**7,914,818**	-
(Loss)/Gains from fair value adjustments	**-**	(649,128)
Balance as at 29/28 February	**29,834,160**	21,918,000

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

The fair value of the investment properties above were based on either by the valuation of the independent register valuers or the management's estimates.

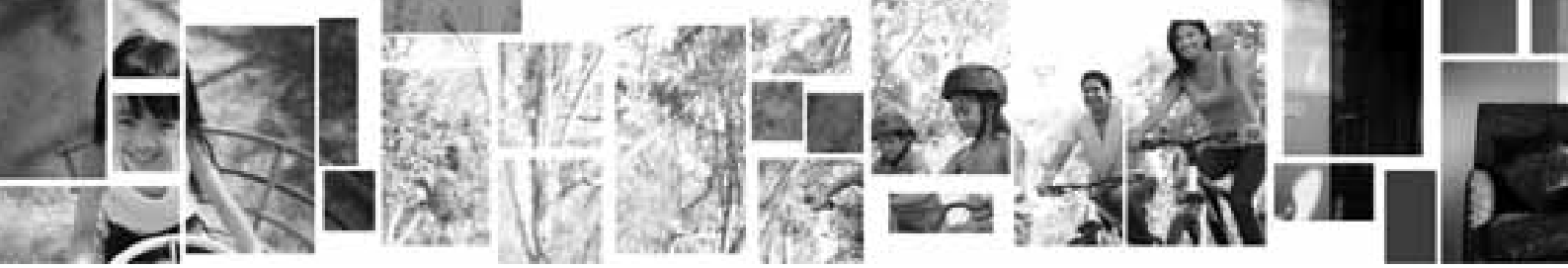
2011

A valuation was carried out by independent registered valuer, Intraharta Consultants (North) Sdn. Bhd. in previous financial year based on the Cost and Investment Methods and Comparison Method of Valuation on five of its investment properties with value of RM7,518,000. The other investment property was estimated by the management at RM14,400,000.

2012

The fair value of the investment properties was estimated by the management at RM29,834,160.

The investment properties with total carrying value of RM29,834,160 (2011: RM21,918,000) have been pledged to licensed bank for credit facilities granted to subsidiaries as disclosed in Notes 23, 24 and 26.



12. DEFERRED PLANTATION EXPENDITURE

	GROUP	
	2012 RM	2011 RM
Cost		
Balance as at 1 March/29 February	**1,248,940**	1,248,940
Amortisation		
Balance as at 1 March	**(877,669)**	(344,310)
Amortisation during the financial year	**(124,894)**	(124,894)
Impairment loss	**-**	(408,465)
	(1,002,563)	(877,669)
Balance as at 29/28 February	**246,377**	371,271

13. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities 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 statement of financial position.

	GROUP	
	2012 RM	2011 RM
Deferred tax assets, net	**(1,283,675)**	(1,344,626)
Deferred tax liabilities, net	**16,905,861**	17,087,419
	15,622,186	15,742,793

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

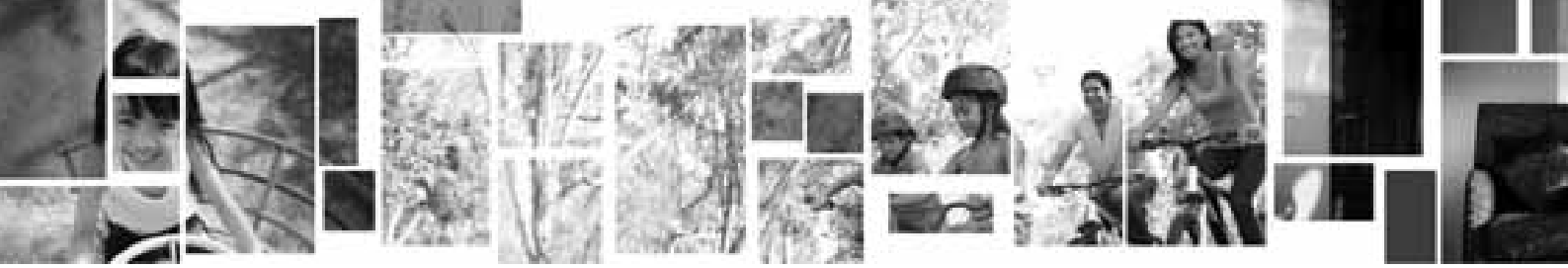
13. DEFERRED TAX (Continued)

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

	GROUP 2012 RM	GROUP 2011 RM
Balance as at 1 March	**15,742,793**	15,558,091
Recognised in statement of comprehensive income:-		
- crystallisation of deferred tax on revaluation surplus arise from property, plant and equipment	**-**	(179,301)
- crystalisation of deferred tax on revaluation surplus arise from subsidiaries' development properties	**(325,888)**	(308,744)
- excess of capital allowances over corresponding depreciation	**87,950**	(85,944)
- deferred plantation expenditure	**1,620**	(240,555)
- unabsorbed agricultural allowance	**-**	185,997
- unabsorbed capital allowances	**57,403**	161,534
- unabsorbed tax losses	**887**	415,227
- provisions	**-**	59,246
- other deductible temporary differences	**57,421**	177,242
	(120,607)	184,702
Balance as at 29/28 February	**15,622,186**	15,742,793

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

	GROUP 2012 RM	GROUP 2011 RM
Deferred tax assets		
Unabsorbed capital allowance	**472,703**	225
Unabsorbed agricultural allowance	**16,714**	61,562
Unabsorbed tax losses	**483,471**	1,028,284
Provisions	**434,647**	434,647
Other deductible temporary differences	**895,946**	959,124
Deferred tax assets (before offsetting)	**2,303,481**	2,483,842
Offsetting	**(1,019,806)**	(1,139,216)
Deferred tax assets (after offsetting)	**1,283,675**	1,344,626



13. 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	
	2012 RM	**2011 RM**
Deferred tax liabilities		
Revaluation surplus arise from prepaid lease payments for land	**6,784,431**	6,784,431
Revaluation surplus arise from subsidiaries' development properties	**8,995,479**	9,321,367
Deferred plantations expenditure	**-**	18,723
Excess of capital allowances over corresponding depreciation	**2,145,757**	2,102,114
Deferred tax liabilities (before offsetting)	**17,925,667**	18,226,635
Offsetting	**(1,019,806)**	(1,139,216)
Deferred tax liabilities (after offsetting)	**16,905,861**	17,087,419

(c) Unrecognised deferred tax assets

	GROUP	
	2012 RM	**2011 RM**
Unabsorbed agricultural allowance	**164,327**	405,024
Unabsorbed capital allowance	**7,132**	-
Unabsorbed tax losses	**445,698**	6,807
Deferred plantations expenditure	**70,574**	164,327
Excess of capital allowances over corresponding depreciation not recognised	**2,043**	(206,620)
Other deductible temporary differences	**-**	30,000
	689,774	399,538

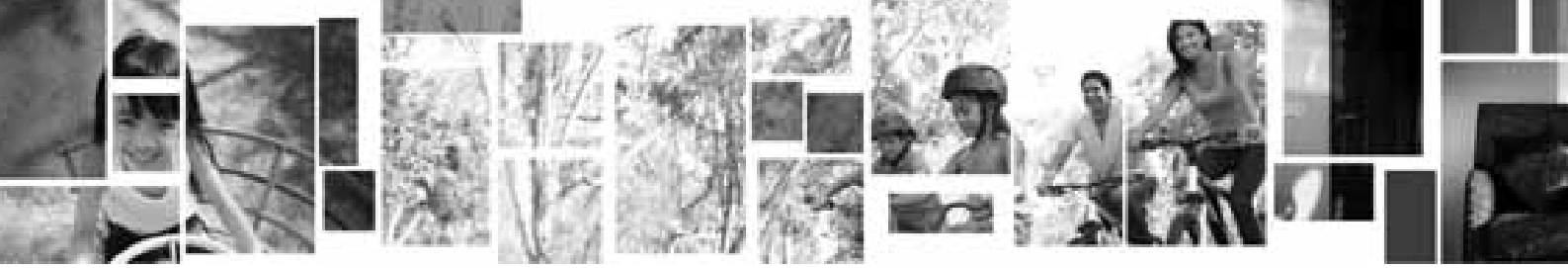
Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit of certain subsidiaries will be available against which the deductible temporary differences can be utilised. The deductible temporary differences do not expire under the current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

14. PROPERTY DEVELOPMENT COSTS

	GROUP 2012 RM	GROUP 2011 RM
Freehold land, at cost		
Balance as at 1 March	**23,890,826**	42,734,246
Addition	**8,000**	-
Transferred (to)/from land held for property development during the financial year (Note 10)	**12,010,049**	(16,796,463)
Transferred to inventories	**-**	(825,424)
Completed development project	**-**	(1,221,533)
Balance as at 29/28 February	**35,908,875**	23,890,826
Development expenditure		
Balance as at 1 March	**131,044,175**	134,371,891
Incurred during the financial year	**66,754,166**	65,735,445
Transferred (to)/from land held for property development during the financial year (Note 10)	**11,035,827**	(7,892,316)
Transferred to inventories	**-**	(13,127,300)
Completed development project	**-**	(48,043,545)
	208,834,168	131,044,175
	244,743,043	154,935,001
Accumulated costs charged to statement of comprehensive income		
Balance as at 1 March	**(105,361,560)**	(89,071,810)
Cost charged to statement of comprehensive income for the financial year	**(77,742,547)**	(65,554,591)
Reversal of cost of completed development project	**-**	49,264,841
Balance as at 29/28 February	**(183,104,107)**	(105,361,560)
	61,638,936	49,573,441

Freehold land with cost of RM6,445,560 (2011: RM5,552,507) 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.



14. PROPERTY DEVELOPMENT COSTS (Continued)

Freehold land with carrying value of RM6,445,560 (2011: RM5,552,207) as at 29 February 2012 was pledged to a licensed bank for term loan and credit facilities as disclosed in Note 23 and 24.

Included in development costs is borrowing cost capitalised at rates ranging from 5.90% to 6.07% (2011: 5.90% to 6.07%) per annum during the financial year amounting to RM15,939 (2011: RM24,390).

Included in development costs is rental of equipment capitalised during the financial year amounting to RM260,398 (2011: RM167,124).

15. INVENTORIES

	GROUP	
	2012 RM	**2011 RM**
At cost		
Completed properties	**13,254,361**	19,846,128
Building materials	**362,691**	528,115
Food and beverages	**278,402**	292,974
Playground materials	**45,737**	211,244
Spare parts and consumables	**10,326**	10,909
	13,951,517	20,889,370

16. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Trade receivables				
Third parties	**24,242,566**	28,844,346	**-**	-
Accrued billings in respect of property development	**379,479**	826,550	**-**	-
Less: Impairment loss				
- third parties	**(92,789)**	(109,928)	**-**	-
	24,529,256	29,560,968	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

16. TRADE AND OTHER RECEIVABLES (Continued)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Other receivables, deposits and prepayments				
Amount owing from directors	**3,614**	-	**-**	-
Other receivables	**7,984,109**	313,815	**-**	-
Deposits	**10,380,510**	3,472,989	**4,500**	4,500
Prepayments	**155,601**	171,698	**-**	-
	18,523,834	3,958,502	**4,500**	4,500
	43,053,090	33,519,470	**4,500**	4,500

(a) The credit term of trade receivables granted by the Group is 21 days (2011: 21 days) from date of progress billings or range from 30 to 90 days (2011: 30 to 90 days) from date of invoice.

(b) The impairment loss of the Group is net of bad debts written off amounting to RM58,660 (2011: RM13,544).

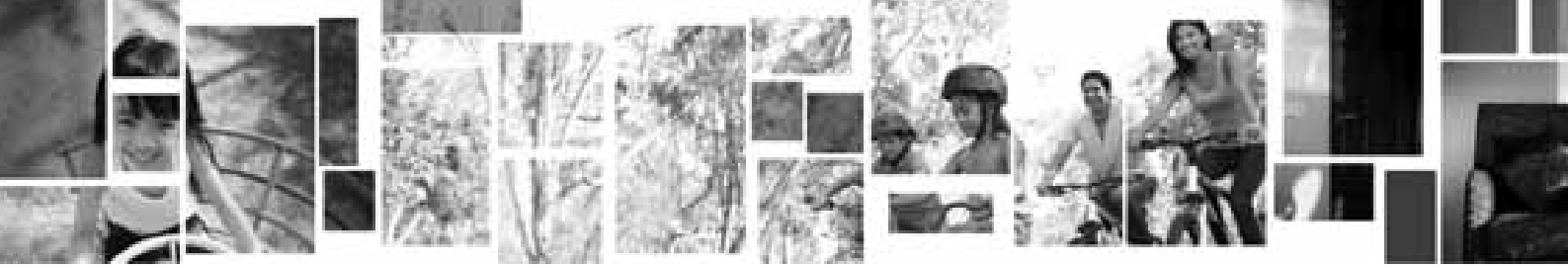
(c) Information on financial risk of trade and other receivables are disclosed in Note 40 to the financial statements.

17. AMOUNT OWING FROM/(TO) SUBSIDIARIES

The amount owing from/(to) subsidiaries are unsecured, interest free and repayable upon demand.

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	
	2012 RM	2011 RM	2012 RM	2011 RM
Fixed deposits with licensed banks	**1,514,533**	1,343,558	**-**	-
Cash and bank balances	**22,383,766**	14,014,798	**88,794**	86,775
As reported in the statement of financial positions	**23,898,299**	15,358,356	**88,794**	86,775
Less: Bank overdrafts (Note 22)	**(1,268,433)**	(1,768,565)	**-**	-
Fixed deposits pledged with licensed banks	**(1,124,324)**	(912,384)	**-**	-
As reported in cash flows statements	**21,505,542**	12,677,407	**88,794**	86,775

(a) Included in the Group's cash and bank balances is an amount of RM13,360,711 (2011: RM5,906,513) 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 (2011: 14 to 365 days).

(c) Included in fixed deposits with licensed banks of the Group is an amount of RM1,124,324 (2011: RM912,384) 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 statement of financial position date is as follows:

	GROUP	
	2012 %	2011 %
Fixed deposits with licensed banks	**2.95**	2.79

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

20. SHARE CAPITAL

	GROUP/COMPANY 2012 RM	2011 RM
Authorised		
300,000,000 ordinary shares of RM1 each	**300,000,000**	300,000,000
Issued and fully paid		
128,000,000 ordinary shares of RM1 each	**128,000,000**	128,000,000

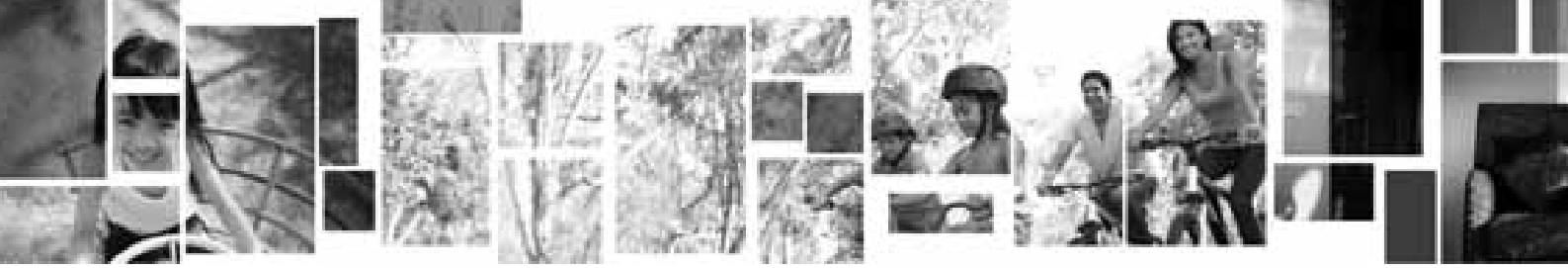
21. RESERVES

	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
Non-distributable:				
Share premium	**5,982,397**	5,982,397	**5,982,397**	5,982,397
Translation reserve	**342,297**	-	**342,297**	-
	6,324,694	5,982,397	**6,324,694**	5,982,397
Distributable:				
Retained earnings	**112,958,087**	106,391,366	**17,648,602**	17,866,263
	119,282,781	112,373,763	**23,973,296**	23,848,660

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 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.

As at 29 February 2012, the Company has tax credit under Section 108 of the Income Tax Act 1967 and balance in the tax exempt account to frank the payment of dividend out of its retained earnings of approximately RM10,861,000. Retained earnings not covered by tax credit amounted to approximately of RM6,788,000.



22. BORROWINGS

	Note	GROUP 2012 RM	GROUP 2011 RM
Current			
Secured			
Term loans		**4,324,569**	1,881,212
Revolving credits		**3,200,000**	3,600,000
Bank overdrafts		**1,268,433**	1,768,565
Bankers' acceptance		**3,798,000**	3,639,000
Hire-purchase liabilities	27	**16,592**	15,589
		12,607,594	10,904,366
Unsecured			
Term loans		**1,133,174**	999,120
Revolving credits		**2,000,000**	2,000,000
		3,133,174	2,999,120
Total current portion		**15,740,768**	13,903,486
Non-current			
Secured			
Term loans		**14,641,479**	9,463,892
Hire-purchase liabilities	27	**44,189**	60,781
		14,685,668	9,524,673
Unsecured			
Term loans		**332,903**	1,305,034
Total non-current portion		**15,018,571**	10,829,707
Total borrowings		**30,759,339**	24,733,193

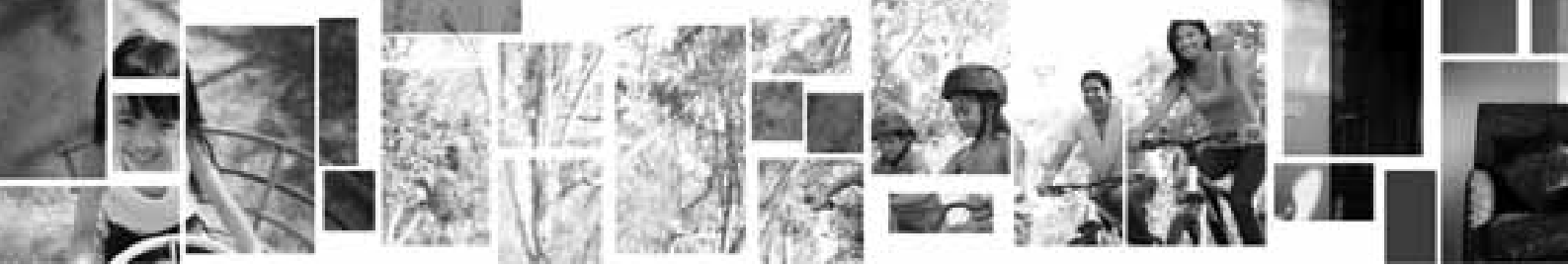
NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

22. BORROWINGS (Continued)

	Note	GROUP 2012 RM	GROUP 2011 RM
Secured			
Term loans	23	**18,966,048**	11,345,104
Revolving credits	24	**3,200,000**	3,600,000
Bank overdrafts	25	**1,268,433**	1,768,565
Bankers' acceptance	26	**3,798,000**	3,639,000
Hire-purchase liabilities	27	**60,781**	76,370
		27,293,262	20,429,039
Unsecured			
Term loans	23	**1,466,077**	2,304,154
Revolving credits		**2,000,000**	2,000,000
		3,466,077	4,304,154
Total borrowings		**30,759,339**	24,733,193

23. TERM LOANS

	GROUP 2012 RM	GROUP 2011 RM
Secured		
Term loan IV repayable by 60 monthly instalments of RM120,228 each commencing April 2008	1,518,499	2,799,134
Term loan VI repayable by 96 monthly instalments of RM167,510 each commencing October 2011	7,968,549	8,545,970
Term loan VII repayable by 48 monthly instalments of RM125,000 each commencing June 2012	6,000,000	-
Term loan VIII repayable by 120 monthly instalments of RM58,333 each commencing September 2012	3,479,000	-
	18,966,048	11,345,104



23. TERM LOANS (Continued)

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

(i) certain freehold land and building as disclosed in Note 6.

(ii) certain freehold land as disclosed in Note 10 and 14.

(iii) certain investment properties as disclosed in Note 11.

Repayment terms

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

	GROUP	
	2012 RM	**2011 RM**
Not later than 1 year	**5,457,743**	2,880,332
1-2 years	**4,124,638**	3,955,551
2-3 years	**4,040,603**	1,993,821
3-4 years	**4,034,818**	1,737,172
4-5 years	**2,445,305**	1,863,678
More than 5 years	**329,018**	1,218,704
	20,432,125	13,649,258

The term loans bear interest at 4.58% to 8.35% (2011: 6.00% to 8.05%) per annum.

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

	GROUP	
	2012 %	**2011 %**
Term loans	**7.07**	7.22

Information on repricing analysis of term loans is disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

24. REVOLVING CREDITS – SECURED

The revolving credits of the Group are secured by way of legal charges over certain investment properties as disclosed in Note 11.

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

	GROUP	
	2012	**2011**
	%	**%**
Revolving credits	**5.10**	4.61

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 RM22,547,977 (2011: RM22,714,042) as disclosed in Note 6 and corporate guarantees issued by the Company.

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

	GROUP	
	2012	**2011**
	%	**%**
Bank overdrafts	**8.10**	7.25

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

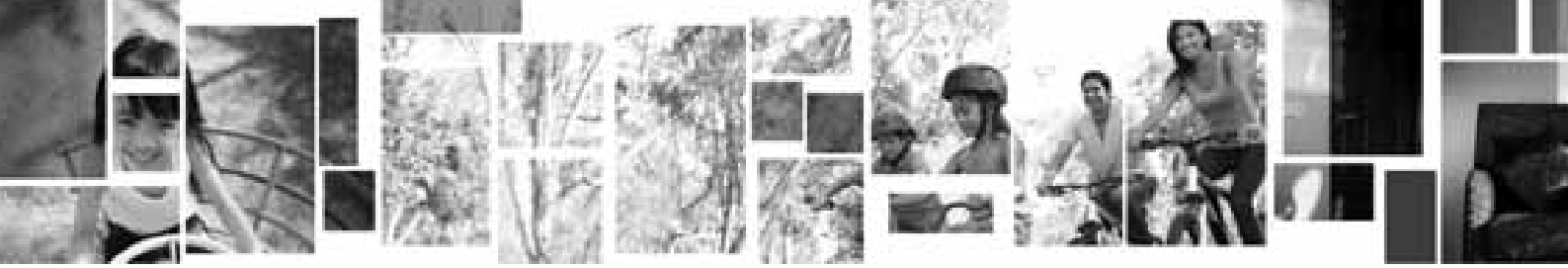
26. BANKERS' ACCEPTANCES - SECURED

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

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

	GROUP	
	2012	**2011**
	%	**%**
Bankers' acceptances	**4.61**	4.61

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



27. HIRE-PURCHASE LIABILITIES

	GROUP	
	2012 RM	**2011 RM**
Minimum hire-purchase instalments:-		
- not later than 1 year	**19,560**	19,560
- later than 1 year and not later than 5 years	**47,220**	66,780
	66,780	86,340
Less: Future interest charges	**(5,999)**	(9,970)
Present value of hire-purchase liabilities	**60,781**	76,370
Repayable as follows:		
Current liabilities		
- not later than one year	**16,592**	15,589
Non-current liabilities		
- later than one year and not later than two years	**44,189**	60,781
	60,781	76,370

The effective interest rate per annum of hire-purchase liabilities as at reporting date is as follow:

	GROUP	
	2012 %	**2011 %**
Hire purchase liabilities	**3.00**	3.00

Information on repricing analysis of hire-purchase liabilities is disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

28. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Trade payables				
Third parties	**9,522,004**	13,278,116	**-**	-
Progress billings in respect of property development	**35,208,847**	35,974,938	**-**	-
	44,730,851	49,253,054	**-**	-
Other payables				
Amounts owing to Directors	**25,490**	21,500	**25,490**	21,500
Other payables, deposits and accruals	**8,150,779**	10,667,689	**30,000**	30,000
Member deposits	**2,215,400**	2,263,650	**-**	-
	10,391,669	12,952,839	**55,490**	51,500
	55,122,520	62,205,893	**55,490**	51,500

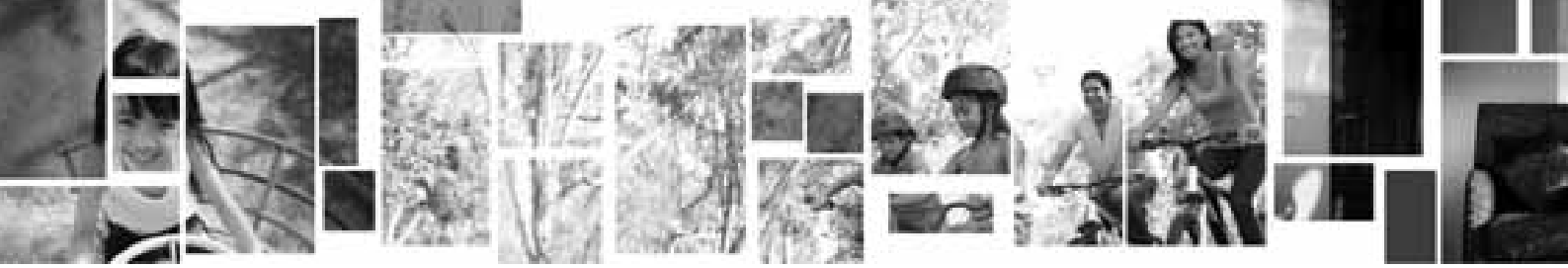
(a) The credit terms available to the Group in respect of trade payables range from 30 to 90 days (2011: 30 to 90 days) from date of invoice.

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

(c) Included in other payables of the Group is an amount of RM2,395,326 (2011: RM6,639,566) 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 Agreements were signed on 17 October 2001, 20 March 2003 and 27 June 2003 respectively as disclosed in Notes 9 and 13. The amount owing to PKNK is unsecured and repayable on demand except for RM405,200 (2011: RM405,200) which is subject to interest of 8% (2011: 8%) per annum.

(d) Included in member deposits of the Group is a balance of RM1,100,500 (2011: RM1,135,500) for golf memberships which are transferable.

(e) Information on financial risk of trade and other payables is disclosed in Note 39 to the financial statements.



29. PROVISIONS

GROUP	Infrastructure cost RM	Renovation cost RM	Total RM
Balance as at 1 March 2010	1,975,572	-	1,975,572
Utilisation during the financial year	(236,984)	-	(236,984)
Balance as at 28 February 2011	1,738,588	-	1,738,588
Addition during the financial year	-	2,479,216	2,479,216
Balance as at 29 February 2012	1,738,588	2,479,216	4,217,804

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.

The provision for renovation cost was made in respect of a completed project of the Group, Sky Residences Condominium which the Group is obliged to incur.

30. REVENUE

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Gross dividend income from subsidiaries	**-**	-	**260,004**	2,332,000
Revenue from development properties	**102,361,128**	82,909,975	**-**	-
Revenue from water theme park operations	**12,436,317**	12,092,226	**-**	-
Sale of completed properties	**1,639,000**	1,347,800	**-**	-
Sale of building materials	**22,004,899**	23,045,322	**-**	-
Sale of goods	**96,210**	90,398	**-**	-
Sale of land held for property development	**-**	168,465	**-**	-
Rental income	**1,622,958**	1,586,362	**-**	-
Sports and recreation services	**1,703,412**	1,761,706	**-**	-
Subscription and entrance fees	**616,434**	679,920	**-**	-
Tuition fees	**534,087**	483,682	**-**	-
Sales of fruits and other supplies	**37,578**	330	**-**	-
	143,052,023	124,166,186	**260,004**	2,332,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

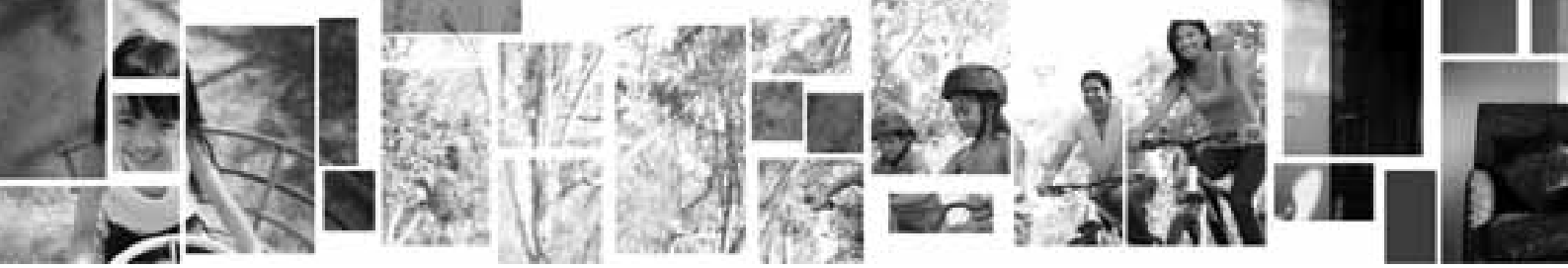
31. COST OF SALES

	GROUP	
	2012 RM	2011 RM
Building material sold	**20,788,549**	20,429,526
Property development cost	**82,901,103**	65,206,120
Land held for property development	**-**	22,191
Completed properties	**1,328,890**	1,137,209
Service rendered	**10,369,078**	10,340,402
Others	**833,086**	710,150
	116,220,706	97,845,598

32. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is stated after charging:-

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Impairment loss on trade receivables	**41,521**	58,660	**-**	-
Amortisation of deferred plantation expenditure	**124,894**	124,894	**-**	-
Auditors' remuneration:				
- current financial year	**129,650**	116,750	**30,000**	30,000
- (over)/under-provision in prior financial year	**-**	(1,000)	**-**	-
Bad debts written off	**6,827**	7,020	**-**	-
Depreciation of property, plant and equipment	**4,082,433**	3,973,029	**400**	400
Directors'emoluments other than fees paid/payable to:				
- executive directors of the Company	**29,000**	28,500	**29,000**	28,500
- non-executive directors of the Company	**119,000**	100,000	**119,000**	100,000
- executive directors of the subsidiary companies	**1,586,327**	1,576,394	**-**	-
- non-executive directors of the subsidiary companies	**-**	25,970	**-**	-
Impairment loss on deferred plantation expenditure	**-**	408,465	**-**	-



32. PROFIT/(LOSS) BEFORE TAX (Continued)

	GROUP		COMPANY	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Interest expense on:				
- bankers acceptances	**174,840**	156,866	**-**	-
- bank overdraft	**116,976**	131,992	**-**	-
- hire purchase liabilities	**3,971**	2,780	**-**	-
- term loans	**1,018,785**	761,936	**-**	-
- others	**500**	13,500	**-**	-
Loss from fair value adjustment	**-**	854,000	**-**	-
Property, plant and equipment written off	**57,757**	49,296	**-**	-
Rental expense on:				
- premises	**61,550**	26,550	**-**	-
- equipment	**53,992**	42,931	**-**	-
And crediting:				
Bad debts recovered	**-**	12,123	**-**	-
Gains from fair value adjustments	**-**	204,872	**-**	-
Gain on disposal of property, plant and equipment	**-**	30,333	**-**	-
Gross dividend income from:				
- subsidiaries	**-**	-	**260,004**	2,332,000
- other investment	**2,852**	3,436	**-**	-
Interest income	**533,682**	155,813	**30,375**	-
Rental income from				
- investment properties	**1,559,183**	1,586,362	**-**	-
- others	**514,958**	235,834	**-**	-
Realised gain on foreign exchange	**61,584**	-	**-**	-

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to approximately RM483,335 (2011: RM384,969).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

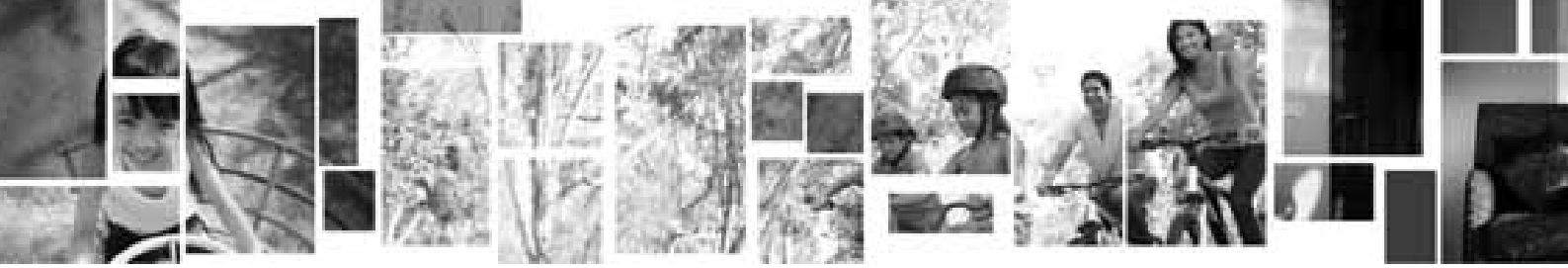
33. TAX EXPENSE

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Malaysian income tax:				
Current tax expense based on profit for the financial year	**4,861,570**	3,875,934	**-**	520,671
Overprovision in prior financial years:	**(240,354)**	(52,492)	**(30,834)**	(20,468)
	4,621,216	3,823,442	**(30,834)**	500,203
Deferred tax: (Note 13a)				
Relating to origination and reversal of temporary differences	**(183,894)**	(52,527)	**-**	-
Underprovision in prior financial years	**63,287**	237,229	**-**	-
	(120,607)	184,702	**-**	-
Total tax expense	**4,500,609**	4,008,144	**(30,834)**	500,203

The Malaysian income tax is calculated at the statutory tax rate of 25% of the estimated taxable profit for the fiscal year.

A reconciliation of income tax expense on the financial results with the applicable statutory tax rate is as follows:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Profit/(Loss) before tax	**13,700,451**	10,753,264	**(248,495)**	1,886,082
Tax at Malaysian statutory tax rate of 25%	**3,425,113**	2,688,316	**(62,124)**	471,521
Tax effects in respect of:				
Depreciation on non-qualifying property, plant and equipment	**76,864**	78,184	**-**	-
Deferred tax assets not recognised	**44,076**	360	**-**	-
Non-allowable expenses	**923,492**	1,161,721	**127,125**	49,150
Utilisation of agriculture allowance	**(11,212)**	-	**-**	-
Utilisation of deferred tax assets previously not recognised	**284,000**	-	**-**	-
Temporary differences not recognised	**344**	(5,687)	**-**	-
Income not subject to tax	**(65,001)**	(99,487)	**(65,001)**	-
	4,677,676	3,823,407	**-**	520,671



33. TAX EXPENSE (Continued)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
(Over)/Underprovision in prior financial years				
- income tax	**(240,354)**	(52,492)	**(30,834)**	(20,468)
- deferred tax	**63,287**	237,229	**-**	-
Tax expense	**4,500,609**	4,008,144	**(30,834)**	500,203

34. EARNINGS PER ORDINARY SHARE

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.

	GROUP	
	2012 RM	2011 RM
Profit attributable to ordinary equity holders of the Company (RM)	**6,566,721**	4,980,285
Number of ordinary shares in issue	**128,000,000**	128,000,000
Basic earnings per ordinary share (sen)	**5.13**	3.89

35. EMPLOYEE BENEFITS

The employee benefits excluding key management personnel during the financial year are as follows:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Operations				
- salaries and wages	**3,904,505**	3,760,219	**-**	-
- contributions to defined contribution plan	**316,140**	255,873	**-**	-
- other benefits	**520,906**	439,834	**-**	-
	4,741,551	4,455,926	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

35. EMPLOYEE BENEFITS (Continued)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Sales, marketing and distribution				
- salaries and wages	**339,982**	282,669	**-**	-
- contributions to defined contribution plan	**52,151**	44,856		
- other benefits	**125,147**	140,920		
	517,280	468,445		
Administration				
- salaries and wages	**2,918,237**	3,076,728	**-**	162,500
- contributions to defined contribution plan	**266,049**	300,501	**-**	4,080
- other benefits	**451,266**	531,383	**-**	620
	3,635,552	3,908,612	**-**	167,200
	8,894,383	8,832,983	**-**	167,200

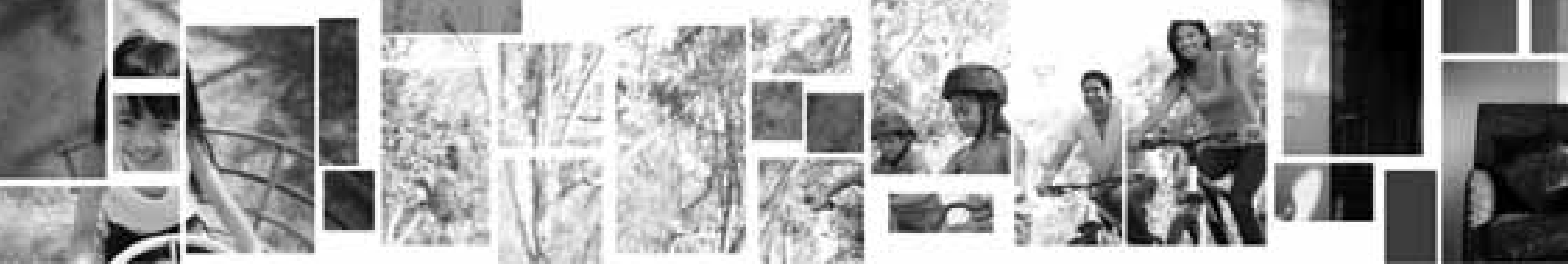
36. EMPLOYEES' SHARE OPTIONS SCHEME ("ESOS")

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 share. 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 were 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.

(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 of 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.



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

(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 unexcercised 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 dividends 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 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					
	Outstanding as at 1.3.2011	Movement during the financial year			Outstanding as at 28.2.2012	Exercisable as at 28.2.2012
		Granted	Exercised	Lapsed		
2008 options	8,037,000	-	-	(8,037,000)	-	-
Average exercise prices (RM)	1.00	-	-	1.00	-	-
Remaining contractual life (months)	6					-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

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

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

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

	Weighted average exercise price RM	Exercise period
2012		
2008 options	-	-
2011		
2008 options	1.00	13.8.2007-12.8.2011

The fair value of share options granted 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 were as follows:

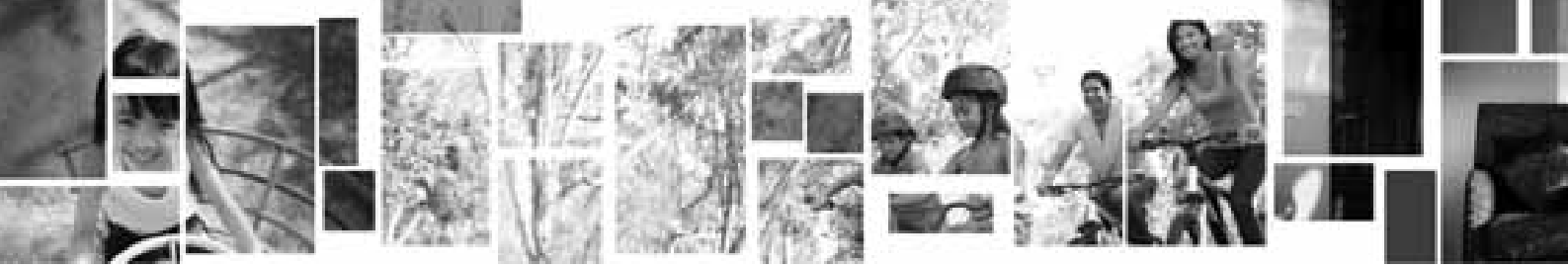
Fair value of share options at the grant date of 13 August 2007 (RM)	0.25
Weighted average share price (RM)	0.73
Weighted average exercise price (RM)	1.00
Expected volatility (%)	61
Expected life (years)	3
Risk free rate (%)	3.58
Expected dividend yield (%)	-

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.



37. RELATED PARTY DISCLOSURES (Continued)

(b) Significant related party transactions

Related parties of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 7 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's 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:

- RJ Properties Sdn. Bhd.

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	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Subsidiaries				
Gross dividend income	**-**	-	**260,004**	2,332,000
A substantial shareholder*				
In respect of the acquisition of freehold land				
- interest charged for current financial year	**32,505**	32,416	**-**	-
- repayments during the financial year	**4,244,240**	1,424,120	**-**	-
An entity controlled by a close member of the family of a Director				
Purchase of computer and software	**-**	13,067	**-**	-
Printing, stationery, repair and maintenance	**-**	3,530	**-**	-
Rental	**121,584**	82,492		
Sales of property	**-**	(1,864,000)	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

37. RELATED PARTY DISCLOSURES (Continued)

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Close member 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 (2011: RM26,122,400) has been paid as at the statement of financial position 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 (2011: RM405,200).

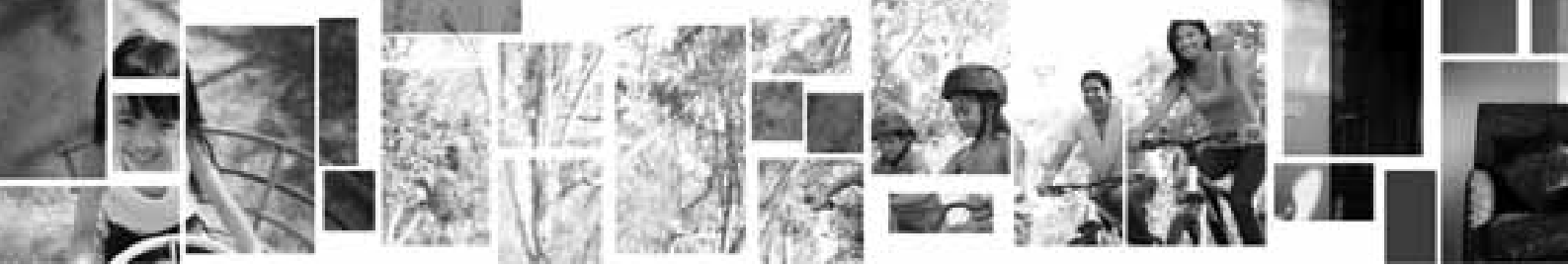
This is also related to the purchase of freehold land from the substantial shareholder, PKNK of which the Sale and Purchase Agreement was signed on 17 October 2001 for a purchase consideration of RM11,125,006. The balance payable to PKNK as at the end of the financial year is RM1,990,126 (2011: RM6,234,366).

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

(c) Compensation of key management personnel

The remuneration of key management personnel comprising Directors of the Company and subsidiaries during the financial year are as follows:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Short term employee benefits	**1,531,801**	1,530,986	**148,000**	128,500
Contributions to defined contribution plans	**202,526**	199,878	**-**	-
	1,734,327	1,730,864	**148,000**	128,500



38. CONTINGENT LIABILITIES – UNSECURED

	GROUP	
	2012 RM	2011 RM
Corporate guarantees for bank facilities granted to subsidiaries		
- amount utilised	**30,984,676**	23,217,000
Total facilities available to subsidiaries which are guaranteed by the Company	**65,900,000**	56,040,000

39. OPERATING SEGMENTS

The Group comprises the following main business segments which are based on the Group's management and internal reporting structure:

Property development	:	Development of residential and commercial properties
Chalet and golf operation and management	:	Operations 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.

Performance is measured based on the segment revenue and profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment, as include in the internal management reports that are reviewed by the Group Managing Director.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and intangible assets other than goodwill.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

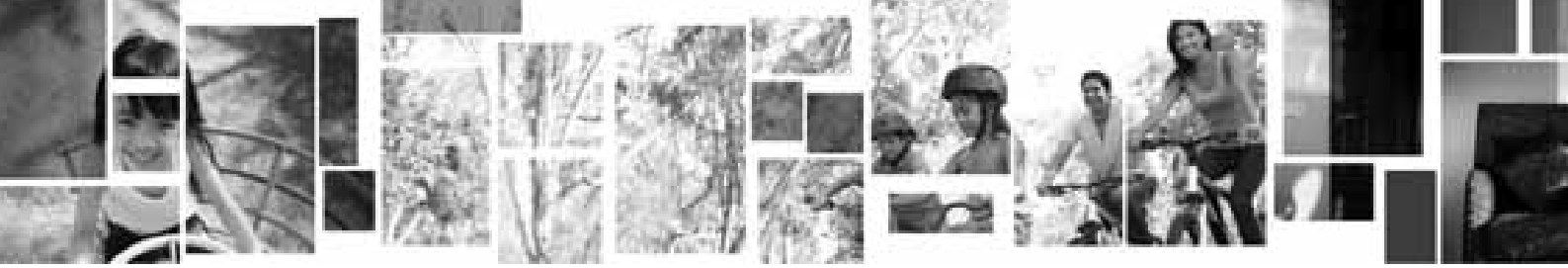
39. OPERATING SEGMENTS (Continued)

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 an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfer between business segments. These segments are eliminated on consolidation.

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

Financial year ended 29 February 2012	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
Revenue						
Revenue from external customer	99,638,848	14,756,163	26,366,179	2,290,833	-	143,052,023
Inter-segment revenue	8,853,000	20,756	66,947,726	520,356	(76,341,838)	-
Total revenue	108,491,848	14,776,919	93,313,905	2,811,189	(76,341,838)	143,052,023
Results						
Segment result	14,364,149	(453,457)	575,126	3,023	-	14,888,841
Interest income	430,756	50,328	19,992	32,606	-	533,682
Interest expense	(864,288)	(271,973)	(178,811)	(7,000)	-	(1,322,072)
Profit before tax						14,100,451
Tax expense						(4,500,609)
Profit for the financial year						9,599,842
At 29 February 2012						
Assets						
Segment assets	235,781,180	71,602,945	11,336,010	39,628,683	-	358,348,818
Tax assets	586,015	13,979	480,068	430,590	-	1,510,652
Deferred tax assets	1,262,554	-	-	21,121	-	1,283,675
Total assets						361,143,145



39. OPERATING SEGMENTS (Continued)

Financial year ended 29 February 2012	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
Liabilities						
Segment liabilities	45,917,097	4,156,213	9,166,689	357,846	-	59,597,845
Borrowings	15,487,048	2,734,510	9,058,781	3,479,000	-	30,759,339
Tax liabilities	791,331	-	-	17,113	-	808,444
Deferred tax liabilities	7,880,008	8,684,650	41,000	42,682	-	16,648,340
Total liabilities						107,813,968
Financial year ended 29 February 2012						
Other information						
Capital expenditure	66,494	2,024,140	187,284	115,395	-	2,393,313
Depreciation of property, plant and equipment	402,286	3,442,298	107,772	130,077	-	4,082,433
Amortisation of deferred plantation expenditure	-	-	-	124,894	-	124,894

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

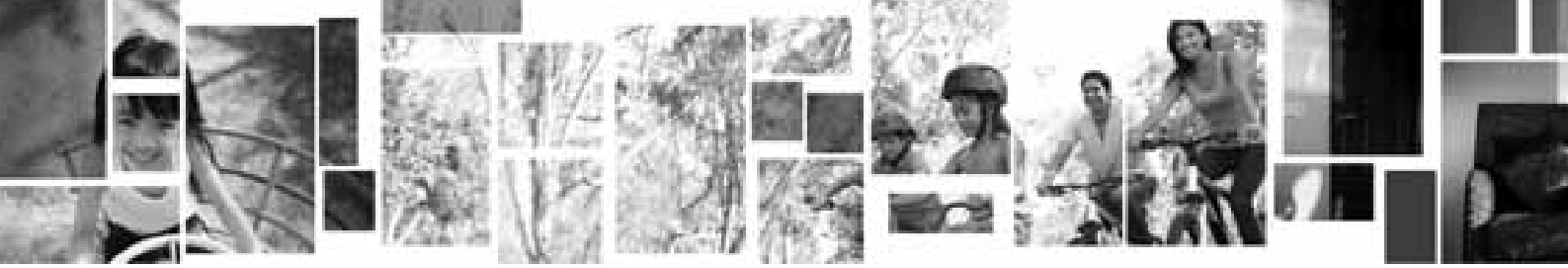
Financial year ended 28 February 2011	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
Revenue						
Revenue from external customer	82,539,206	14,533,852	24,932,356	2,160,772	-	124,166,186
Inter-segment revenue	-	18,363	62,333,694	2,592,352	(64,944,409)	-
Total revenue	82,539,206	14,552,215	87,266,050	4,753,124	(64,944,409)	124,166,186

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

39. OPERATING SEGMENTS (Continued)

Financial year ended 28 February 2011	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
Results						
Segment result	10,906,392	(641,770)	2,393,981	(778,513)	-	11,880,090
Interest income	146,563	19,383	3,999	3,463	-	173,408
Interest expense	(543,951)	(339,200)	(417,083)	-	-	(1,300,234)
Profit before tax						10,753,264
Tax expense						(4,008,144)
Profit for the financial year						6,745,120
At 28 February 2011						
Assets						
Segment assets	232,443,641	72,899,539	8,751,125	32,125,887	-	346,220,192
Tax assets	2,482,315	-	-	389,380	-	2,871,695
Deferred tax assets	1,321,885	-	-	22,741	-	1,344,626
Total assets						350,436,513
Liabilities						
Segment liabilities	46,181,444	4,563,075	12,842,979	356,983	-	63,944,481
Borrowings	11,345,103	3,781,152	9,606,938	-	-	24,733,193
Tax liabilities	495,297	71,221	289,959	27,905	-	884,382
Deferred tax liabilities	8,462,074	8,551,873	34,782	38,690	-	17,087,419
Total liabilities						106,649,475
Financial year ended 28 February 2011						
Other information						
Capital expenditure	178,984	398,001	141,662	94,343	-	812,990
Depreciation of property, plant and equipment	397,838	3,399,323	54,435	121,433	-	3,973,029
Amortisation of deferred plantation expenditure	-	-	-	124,894	-	124,894
Impairment loss on deferred plantation expenditure	-	-	-	408,465	-	408,465



40. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS139 categories:-

GROUP 2012	Financial assets at fair value through profit or loss RM	Loans and receivables at amortised cost RM	Total RM
Assets as per statement of financial position:			
- financial assets at fair value through profit or loss (marketable securities)	164,184	-	164,184
- trade and other receivables excluding pre-payments	-	42,897,489	42,897,489
- cash and cash equivalents	-	23,898,299	23,898,299
Total financial assets	164,184	66,795,788	66,959,972

	Other financial liabilities at amortised cost RM
Liabilities as per statement of financial position	
- borrowings excluding finance lease liabilities	30,759,339
- trade and other payables excluding statutory liabilities	54,992,870
	85,752,209

GROUP 2011	Financial assets at fair value through profit or loss RM	Loans and receivables at amortised cost RM	Total RM
Assets as per statement of financial position:			
- financial assets at fair value through profit or loss (marketable securities)	159,182	-	159,182
- trade and other receivables excluding pre-payments	-	33,347,772	33,347,772
- cash and cash equivalents	-	15,358,356	15,358,356
Total financial assets	159,182	48,706,128	48,865,310

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

40. FINANCIAL INSTRUMENTS (Continued)

(a) Financial instruments by category (Continued)

	Other financial liabilities at amortised cost RM
Liabilities as per statement of financial position	
- borrowings excluding finance lease liabilities	24,733,193
- trade and other payables excluding statutory liabilities	59,708,454
	84,441,647

COMPANY	Loans and receivables at amortised cost	
	2012 RM	2011 RM
Assets as per statement of financial position:		
- trade and other receivables excluding prepayments (including intercompany balance)	37,787,388	37,849,829
- cash and cash equivalents	88,794	86,775
Total financial assets	37,876,182	37,936,604

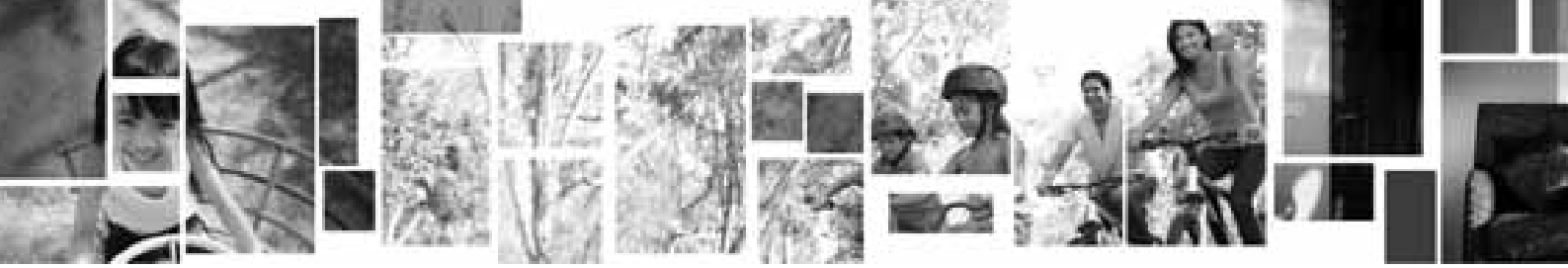
	Other financial liabilities at amortised cost	
	2012 RM	2011 RM
Liabilities as per statement of financial position		
- trade and other payables excluding statutory liabilities	3,194,239	3,345,249

Further quantitative disclosures are included throughout this financial statement.

(b) 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:



40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objective and policies

(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) Foreign currency risk

The Group is exposed to currency exchange risk as a result of the foreign currency denominated transactions entered into by the Group during the course of business. The currencies involved are Australian Dollar. In addition, subsidiaries operating in Australia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposure.

The Group monitors the movement in foreign currency exchange rates closely to ensure its exposures are minimised. The Group does not enter into any hedging contract to hedge this risk. The Directors are of the view that there is no material impact and hence no sensitivity analysis could be presented.

The net unhedged financial assets and financial liabilities of the Group and the Company that are not denominated in their functional currencies are as follows:-

	Net financial assets/ (liabilities) held in non-functional currencies Australian Dollar RM
Functional currencies	
At 29 February 2012	
Financial assets	
Investment in joint venture	828,791
Other receivables, deposits and prepayments	6,597,464
Tax recoverable	36,036
Cash and cash equivalents	51,758
	7,514,049

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29 FEBRUARY 2012

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objective and policies (Continued)

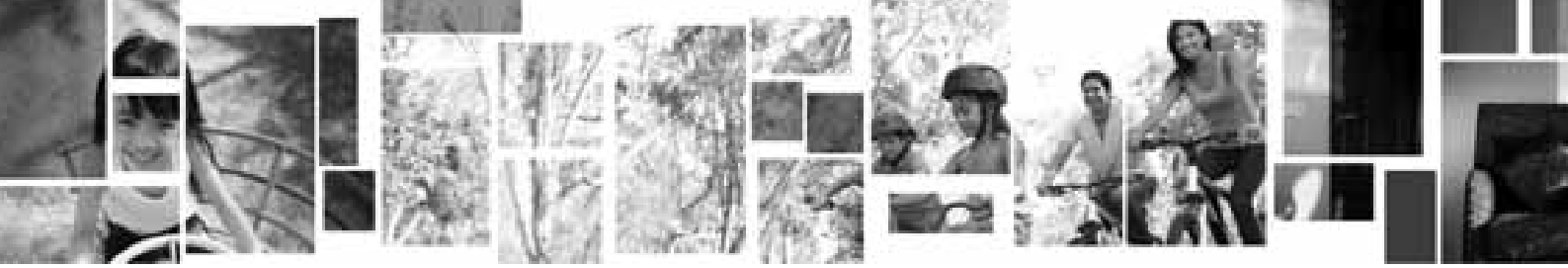
(III) Market risk

(i) Interest rate 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 fixed rate borrowings exposes the Group to fair value interest rate risk which is partially offset by borrowings obtained at floating rate. The Group does not use derivative financial instruments to hedge its risk.

The Group also earns interest income derived from the placement of short-term deposits with licensed banks and financial institutions. The Group regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risk.

Sensitivity analysis for interest rate changes is unrepresentative as the Group does not use variable rates in managing its interest rate risk.



40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objective and policies (Continued)

(III) Market 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 statement of financial position date and the period in which they reprice or mature, whichever is earlier:

Group 2012	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	2.95	1,514,533	-	-	-	-	-	1,514,533
Amount owing to PKNK	28	8.00	405,000	-	-	-	-	-	405,000
Bankers' acceptances	26	4.61	1,268,433	-	-	-	-	-	1,268,433
Hire purchase liability	27	3.00	16,592	17,595	18,599	7,995	-	-	60,781
Floating rates									
Bank overdrafts	25	8.10	1,268,433	-	-	-	-	-	1,268,433
Revolving credits	24	5.10	5,200,000	-	-	-	-	-	5,200,000
Term loans	23	7.07	5,457,743	4,124,538	4,040,603	4,034,818	2,445,305	329,018	20,432,025
2011									
Fixed rates									
Fixed deposits with licensed banks	19	2.79	1,343,558	-	-	-	-	-	1,343,558
Amount owing to PKNK	28	8.00	405,200	-	-	-	-	-	405,200
Bankers' acceptances	26	4.61	3,639,000	-	-	-	-	-	3,639,000
Hire purchase liability	27	3.00	15,589	16,592	17,595	18,599	7,995	-	76,370
Floating rates									
Bank overdrafts	25	7.25	1,768,565	-	-	-	-	-	1,768,565
Revolving credits	24	4.61	5,600,000	-	-	-	-	-	5,600,000
Term loans	23	7.22	13,649,258	-	-	-	-	-	13,649,258

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objective and policies (Continued)

(III) Market risk (Continued)

(ii) Other price risk

Equity price risk arises from the Group's investments in equity securities.

There are no material investments in equity securities to the Group and hence no sensitivity analysis has been presented.

(IV) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimized and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

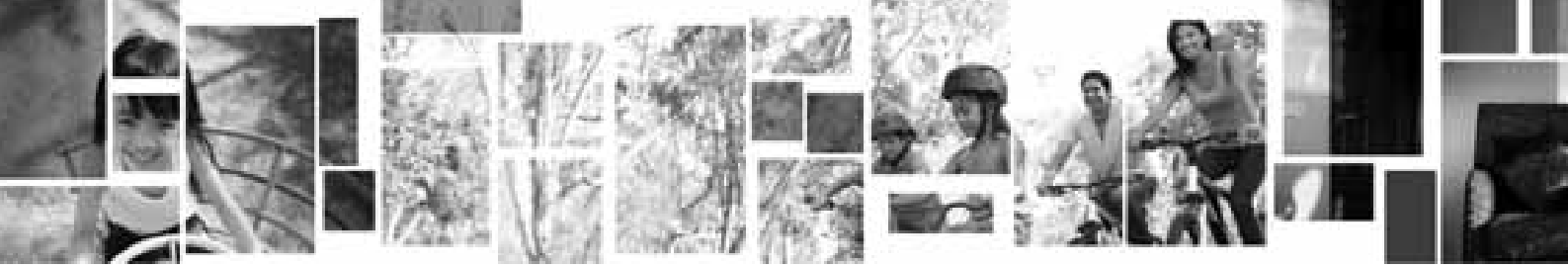
Credit risk arising from property development

The Group does not have any significant credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

Trade receivables are monitored on an on-going basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does the Group have any major concentration of credit risk related to any financial instruments. Credit risk with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

Credit risk arising from investment properties

Credit risks arising from outstanding receivables from the tenants are minimised and monitored by strictly limiting the Group's association to business partners with high creditworthiness. Furthermore, the tenants have placed security deposits with the Group which acts as collateral. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.



40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objective and policies (Continued)

(IV) Credit risk (Continued)

Credit risk arising from other activities of the Group

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in collection of trade receivables fall within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collections losses is inherent in the Group's trade receivables.

Credit risk arising from deposits with licensed banks

Concentration of credit risk arising from deposits with licensed banks is limited as bank deposits are held with banks with strong financial strength.

(i) the ageing analysis of trade receivables as at the end of the reporting date was:

	GROUP		COMPANY	
	2012 RM	**2011 RM**	**2012 RM**	**2011 RM**
Neither past due nor impaired	**8,026,134**	15,920,564	**-**	-
Past due but not impaired:				
1 to 30 days past due	**3,325,239**	3,968,383	**-**	-
31 to 60 days past due	**3,682,481**	1,905,980	**-**	-
61 to 90 days past due	**1,348,961**	765,461	**-**	-
91 to 120 days past due	**1,057,226**	735,939	**-**	-
More than 120 days past due	**6,709,736**	5,438,091	**-**	-
	16,123,643	12,813,854	**-**	-
Impaired	**92,789**	109,928	**-**	-
	24,242,566	28,844,346	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objective and policies (Continued)

(IV) Credit risk (Continued)

(i) the ageing analysis of trade receivables as at the end of the reporting date was: (Continued)

The movement of the allowance of impairment loss is as follows:

	GROUP	
	2012 RM	**2011 RM**
At beginning of financial year	**109,928**	64,812
Charge during the financial year	**92,789**	58,660
Written off during the financial year	**(109,928)**	(13,544)
At end of financial year	**92,789**	109,928

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

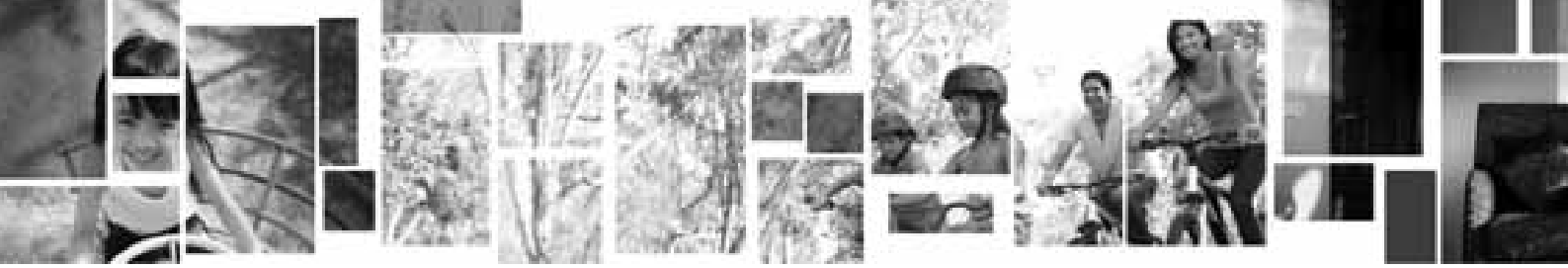
As at 29 February 2012, trade receivables for the Group of RM16,123,643 (2011: RM12,813,854) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default, have met the Group's credit approved policies and are monitored on an on-going basis.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

(ii) Investments

The investment in quoted securities is minimal to the Group. As at the end of the reporting date, the Group has only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.



40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objective and policies (Continued)

(IV) Credit risk (Continued)

(iii) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM74,540,000 (2011: RM55,900,000) representing the outstanding banking facilities of the subsidiaries as at end of the reporting date.

As at end of the reporting date, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(iv) Inter company balances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at end of the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting date, there was no indication that the loans and advances to the subsidiaries are not recoverable.

(c) Fair value of financial instruments

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

	2012		2011	
Group	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Recognised				
Hire-purchase creditors	**60,781**	**60,781**	76,370	76,370

NOTES TO THE FINANCIAL STATEMENTS (Continued)
29 FEBRUARY 2012

40. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

The fair values of term loans and hire purchase creditors are estimated by discounting future contractual cash flows at the current market rate available to the Group for similar types of lending and borrowing arrangements and of the similar remaining maturities.

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

(i) The face values for financial assets (less any estimated credit adjustments) and financial liabilities are assumed to 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 reporting 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.

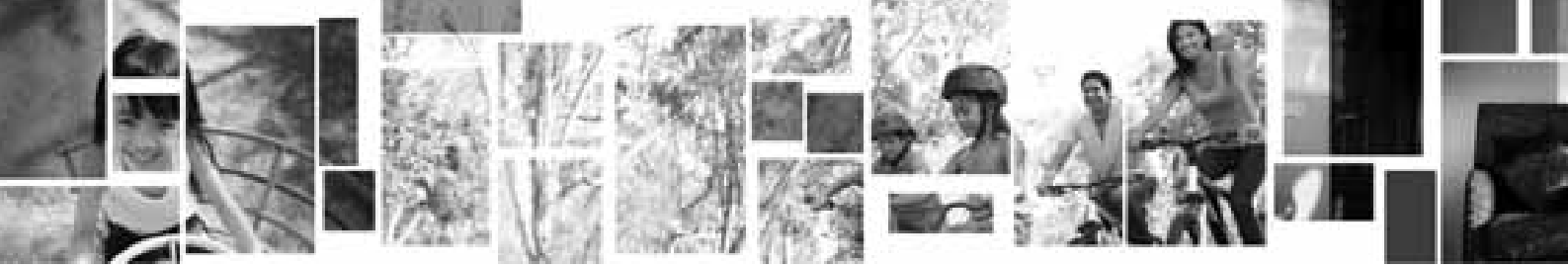
(v) Fair value of financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default.
- The estimated loss exposure if the party guaranteed were to default.

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



41. 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 22 June 2012.

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

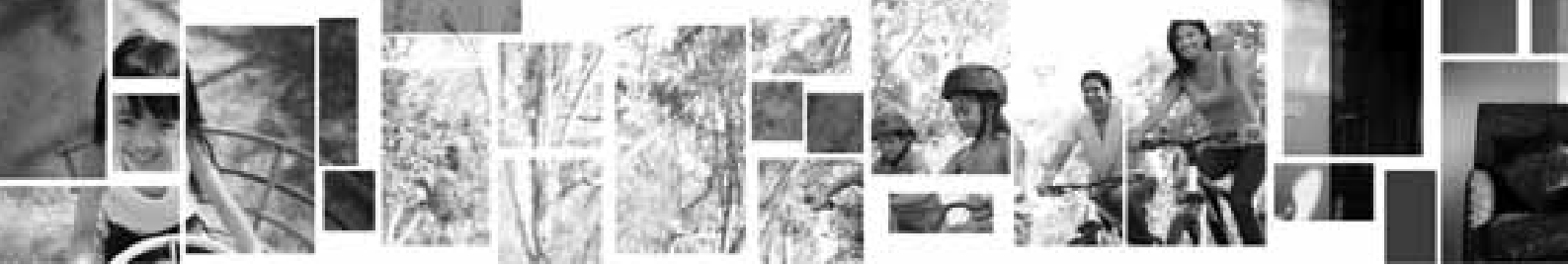
On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained earnings of the Group and the Company as at 29 February 2012 are as follows:

	GROUP 2012 RM	COMPANY 2012 RM
Total retained earnings of the Group and Company		
- Realised	**128,518,688**	17,648,602
- Unrealised	**(15,560,601)**	-
	112,958,087	17,648,602

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.



STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of EUPE CORPORATION BERHAD (377762-V) do hereby state that, in the opinion of the Directors, the financial statements set out on pages 6 to 89 and supplementary information on the disclosure of realised and unrealised profit or loss are drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved Financial Reporting Standards (FRS) in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 29 February 2012 and of the financial results and the cash flows of the Group and of the Company for the financial year ended on that date.

On behalf of the Board

MUHAMAD FAISAL BIN TAJUDIN

DATO' BEH HUCK LEE
Kuala Lumpur
22 June 2012

STATUTORY DECLARATION

I, LEONG CHEW POON, being the Senior Financial Controller primarily responsible for the financial management of EUPE CORPORATION BERHAD (377762-V) do solemnly and sincerely declare that the financial statements set out on pages 31 to 114 and supplementary information on the disclosure of realised and unrealised profit or loss 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.

LEONG CHEW POON

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory on 22 June 2012

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 statement of financial positions as at 29 February 2012 of the Group and of the Company, and the statement of comprehensive incomes, statements of changes in equity and statements of cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 31 to 114 exclude supplementary information on the disclosure of realised and unrealised profit or loss.

Directors' Responsibility for the Financial Statements

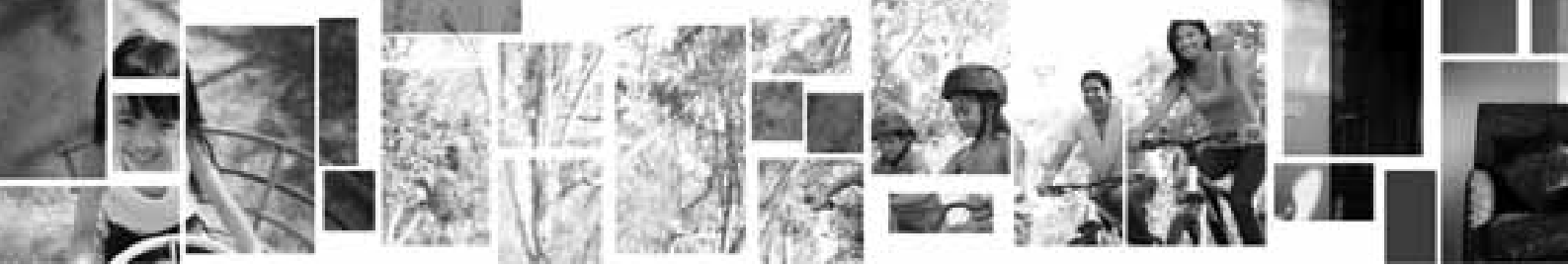
The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standard and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 entity's preparation of financial statements that give a true and fair view 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 entity'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 o the financial statements.

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



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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards (FRS) in Malaysia and the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 29 February 2012 and of their financial performance and cash flows for the financial year then ended.

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 7 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 purpose 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 REPORTING RESPONSIBILITIES

The supplementary information disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

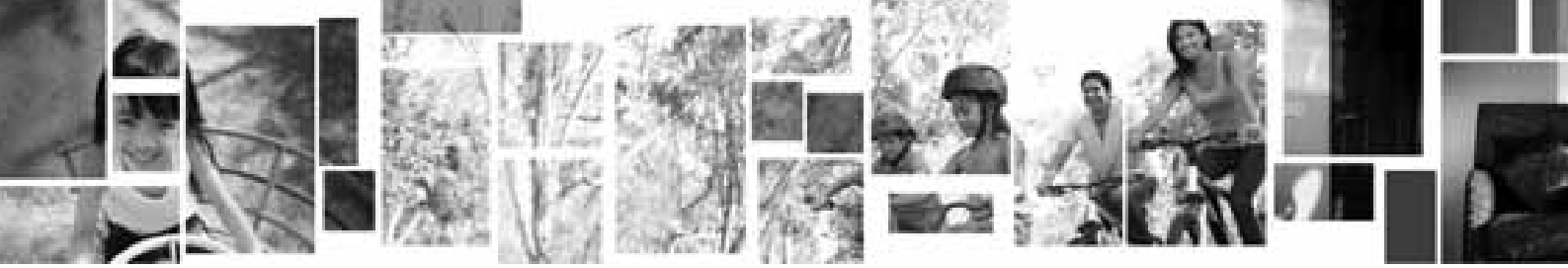
Other Matters

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

RSM Robert Teo, Kuan & Co.
AF: 0768
Chartered Accountants

Yong Kam Fei
2562/07/12(J)
Chartered Accountant

Kuala Lumpur
22 June 2012



ANALYSIS OF SHAREHOLDINGS
AS AT 17 JULY 2012

Authorised Capital	: RM300,000,000.00
Issued and Fully Paid-up Capital	: RM128,000,000.00
Class of Shares	: Ordinary Shares of RM1.00 Each
Voting Rights	: One Vote for Each Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 17 JULY 2012

Category By Size	No. Holdings		No. Of Shares		Percentages	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less Than 100 Shares	7	1	334	51	0.0003	0.0000
100 To 1,000 Shares	2,229	3	2,208,800	3,000	1.7256	0.0023
1,001 To 10,000 Shares	1,912	16	8,450,900	81,000	6.6023	0.0633
10,001 To 100,000 Shares	483	9	13,443,600	347,700	10.5028	0.2716
100,001 To Less Than 5% Of Issued Shares	75	5	47,184,426	2,965,200	36.8628	2.3166
5% And Above Of Issued Shares	2		53,314,989		41.6523	0.0000
TOTAL	**4,708**	**34**	**124,603,049**	**3,396,951**	**97.3461**	**2.6539**

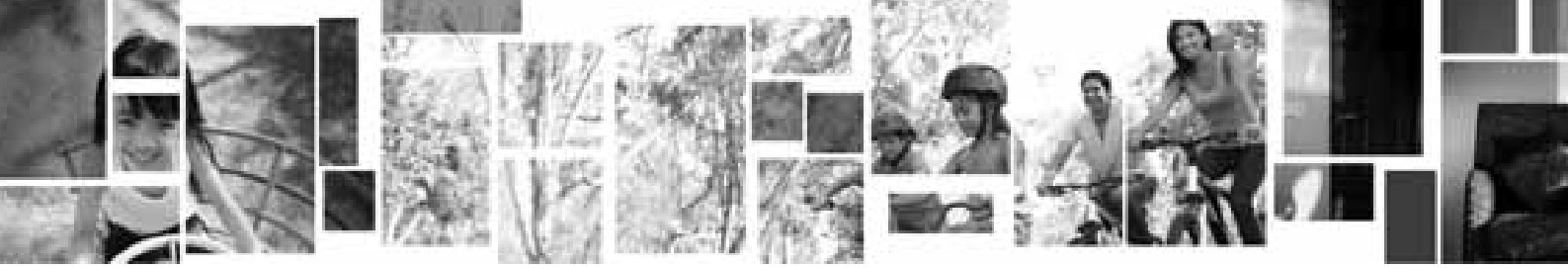
30 LARGEST SHAREHOLDERS AS AT 17 JULY 2012

No	Name	Shareholdings	Percentages
1	BETAJ HOLDINGS SDN BHD	30,053,781	23.48
2	BEH HENG SEONG SDN.BHD.	23,261,208	18.17
3	LIEW HOCK LAI	4,521,900	3.53
4	AHMAD ZAKIUDDIN BIN HARUN	4,000,000	3.13
5	TEH AH YAU RUBBER FACTORY SDN BERHAD	3,742,729	2.92
6	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR BEH HUCK LEE (511356)*	3,500,000	2.73
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA (472602)*	3,000,500	2.34
8	SUCCESS LEADS SDN BHD	2,781,794	2.17
9	FIRM ALLIANCE SDN BHD	2,622,538	2.05
10	THAM SAU KIEN	2,547,300	1.99

ANALYSIS OF SHAREHOLDINGS (Continued)
AS AT 17 JULY 2012

30 LARGEST SHAREHOLDERS AS AT 17 JULY 2012 (Continued)

No	Name	Shareholdings	Percentages
11	NG CHOR WENG	1,993,500	1.56
12	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR ONG HAR HONG (REM 650)*	1,626,200	1.27
13	HSBC NOMINEES (TEMPATAN) SDN BHD *HSBC (M) TRUSTEE BHD FOR PERBADANAN KEMAJUAN NEGERI KEDAH (6178-003)*	1,332,900	1.04
14	HDM NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIEW HOCK LAI (M11)*	1,300,000	1.02
15	SUCCESS MAGNATE SDN. BHD.	1,237,700	0.97
16	HDM NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR RCS ELECTRONICS SDN BHD (M01)*	1,056,538	0.83
17	DATO TAJUDIN HOLDINGS SDN BHD	954,611	0.75
18	KWAN CHEE TONG	684,400	0.53
19	SIM LIAN HING	569,000	0.44
20	HSBC NOMINEES (ASING) SDN BHD *EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)*	557,100	0.44
21	KHOO CHAI TEIK	489,500	0.38
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NEO ENG HUI (8062105)*	400,000	0.31
23	YEO KHEE NAM	379,500	0.30
24	TAN HUNG CHEW SDN BHD	330,000	0.26
25	OSK NOMINEES (TEMPATAN) SDN BERHAD *PLEDGED SECURITIES ACCOUNT FOR TEOH HIN HENG*	317,000	0.25
26	ONN KOK PUAY (WENG GUOPEI)	314,900	0.25
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	TING HACK KOE @ TING HAK GUK	300,000	0.2344
30	CENTRAL KEDAH PLYWOOD FACTORY SENDIRIAN BERHAD	289,000	0.2258
	TOTAL	**94,784,599**	**74.05**



ANALYSIS OF SHAREHOLDINGS (Continued)
AS AT 17 JULY 2012

SUBSTANTIAL SHAREHOLDERS AS AT 17 JULY 2012

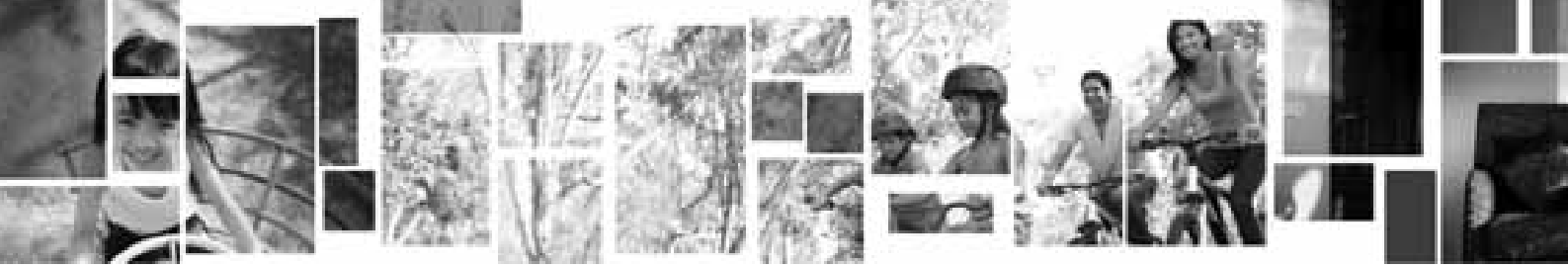
NO	NAME	SHAREHOLDINGS	PERCENTAGES
1	BETAJ HOLDINGS SDN.BHD.	30,053,781	23.4795
2	BEH HENG SEONG SDN.BHD.	23,261,208	18.1728

LIST OF DIRECTORS AS AT 17 JULY 2012

NO	NAME	SHAREHOLDINGS	PERCENTAGES
1	TAN HIANG JOO	10,000	0.0078
2	DATO' BEH HUCK LEE	3,500,000	2.7344
3	DATIN PADUKA TEOH CHOON BOAY	234,416	0.1831

LIST OF PROPERTIES
FOR THE FINANCIAL ENDED 29 FEBRUARY 2012

	Description of Land	Tenure & Age	Land Area	Total Built-Up (sq. m.)	Net Book Value as at 28/02/2011
EUPE KEMAJUAN SDN BHD					
1.	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) - Wisma Central	Freehold	1.07 acres (46,719 sq. ft.; 4,340 sq. m.)	-	419,980
2.	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 - For remaining 2 blocks)	Freehold	4.01 acres (174,885 sq. ft.: 16,247 sq. m.)	-	3,607,028
3.	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)-PCS	Freehold	2.47 acres (107,524 sq. ft.: 9,989 sq. m)	-	3,147,032
4.	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 shopping complex land) -Behind MBB TRJ	Freehold	3.35 acres (146,130 sq. ft.: 13.575 sq. m.)	-	4,931,063
5.	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)-Beside circus land	Freehold	2.19 acres (95,453 sq. ft.: 8,868 sq. m.)	-	2,530,247
6.	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)-circus land	Freehold	3.18 acres (138,643 sq. ft: 12,880 sq. m.)	-	4,373,099
7.	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) - Hilltop	Freehold	3.11 acres (135,539 sq. ft.: 12,592 sq. m.)	-	1,166,701

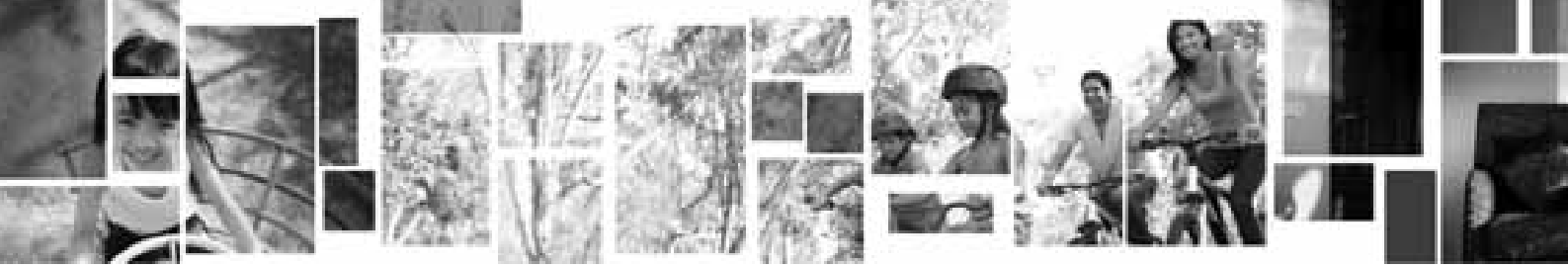


LIST OF PROPERTIES (Continued)
FOR THE FINANCIAL ENDED 29 FEBRUARY 2012

Description of Land	Tenure & Age	Land Area	Total Built-Up (sq. m.)	Net Book Value as at 28/02/2011
EUPE KEMAJUAN SDN BHD (Continued)				
8. 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) - 14 Shop lots under development on partial land near Paya Nahu	Freehold	10.78 acres (469,716 sq. ft.: 43,638 sq. m.)	-	762,706
9. 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.)	-	5,283,416
10. 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 (830 plots of land for mixed development) -Future PS [32'SD]	Freehold	136.12 acres (5,929,387 sq. ft.: 550,858 sq. m.)	-	18,662,418
11. 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 (397 plots of land currently under development)-Puncak Surya	Freehold	56.35 acres (2,454,606 sq. ft.: 228,040 sq. m.)	-	20,855,657
12. 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, P.T. 83504 to 83507, P.T. 92134 to P.T. 92167, P.T. 92370 to P.T. 92382, P.T. 92584 to P.T. 92591, P.T. 92666 to P.T. 92737, P.T. 92798 to P.T. 92803, P.T. 92908 to P.T. 92915 and P.T. 92917 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, H.S.(D) 96107 to H.S.(D) 96110, H.S.(D) 109664 to 109697, H.S. (D) 109900 to H.S.(D) 109912, H.S.(D) 110114 to H.S.(D) 110121, H.S.(D) 110196 to 110267, H.S.(D) 110328 to 110333, H.S.(D) 110438 to 110445 and H.S.(D) 110447 Mukim of Pinang Tunggal, District of Kuala Muda Located within Bandar Seri Astana, Sungai Petani (261 plots of land for mixed development) -Edge of Parcel B & C + commercial land	Freehold	29.40 acres (1,280,604 sq. ft.: 118,972 sq. m.)	-	5,076,507

LIST OF PROPERTIES (Continued)
FOR THE FINANCIAL ENDED 29 FEBRUARY 2012

Description of Land	Tenure & Age	Land Area	Total Built-Up (sq. m.)	Net Book Value as at 28/02/2011
EUPE KEMAJUAN SDN BHD (Continued)				
13. P.T. 5208 and P.T. 5210 H.S.(D) 27776 and H.S.(D) 27778 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Puteri Jaya (2 parcels of land for mixed development) for Parcel D	Freehold	209.04 acres (9,105,782 sq. ft.: 845,955 sq. m.)	-	26,510,100
14. P.T. 558, GM 796 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Seri Astana (Vacant plot of agriculture land)-Entrance to S.Astana	Freehold	8.07 acres (351,420 sq. ft.: 32,647 sq. m.)	-	276,761
15. P.T. 5205 and P.T. 5209 H.S.(D) 27773 and H.S.(D) 27777 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Puteri Jaya (2 parcels of land currently under development) -Parcel A2 & E	Freehold	247.09 acres (10,763,240 sq. ft.: 999,938 sq. m.)	-	23,298,320
MERA-LAND (MALAYSIA) SDN BHD				
16. 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)-TRM2	Freehold	291.97 acres (12,717,976 sq. ft.: 1,181,539 sq. m.)	-	12,786,992
EUPE DEVELOPMENT SDN BHD				
17. 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 (2 parcels of land currently under development) -CSRH & Shops	Freehold	25.56 acres (1,113,204 sq. ft.: 103,420 sq. m.)	-	(1,061,437)
18. 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 (Reserved for CSRH2 + commercial land + The Carnival land)	Freehold	114.81 acres (5,001,313 sq. ft.: 464,637 sq. m.)		20,367,143

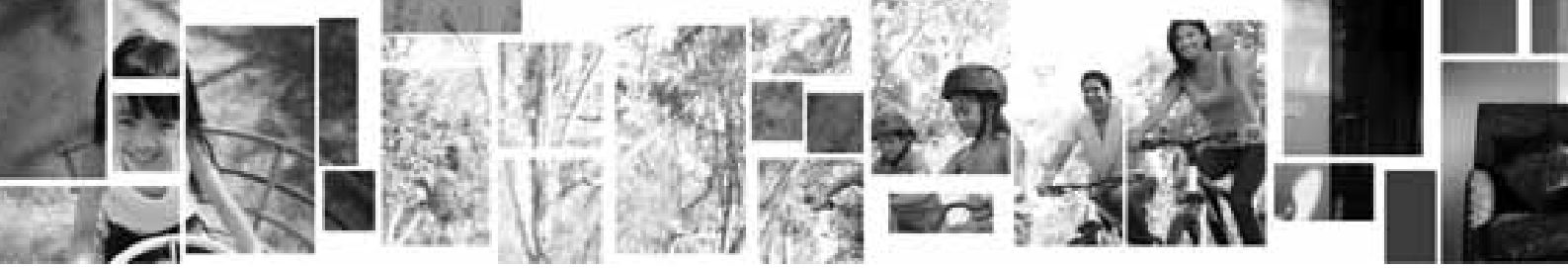


LIST OF PROPERTIES (Continued)
FOR THE FINANCIAL ENDED 29 FEBRUARY 2012

Description of Land	Tenure & Age	Land Area	Total Built-Up (sq. m.)	Net Book Value as at 28/02/2011
BUKIT MAKMUR SDN BHD				
19. P.T. 30401 H.S.(D) 449/95 Mukim of Sungai Petani, District of Kuala Muda Within Kawasan Perusahaan Ringan Bukit Makmur (1 vacant plot of industrial land)-Sg Tukang beside river	Freehold	5.51 acres (239,855 sq. ft.: 22,283 sq. m.)	-	1,906,361
ESTEEM GLORY SDN BHD				
20. 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)-Hilltop	Freehold	7.45 acres (324,618 sq. ft.: 30,157 sq. m.)	-	1,696,196
21. P.T. 211 to P.T. 283, P.T. 308 to P.T. 316, P.T. 329 to 340, P.T. 606to 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) - 13 Birds houses & 71 plots Terrace & Shops under development on partial land	Freehold	47.36 acres (2,063,006 sq. ft.: 191,660 sq. m.)	-	11,998,358
EUPE HOMES (MM2H) SDN BHD				
22. 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)-Behind Kafe Siam	Freehold	0.38 acres (16,533 sq. ft.: 1,536 sq. m.)	-	62,557
EUPE GOLF MANAGEMENT BERHAD				
23. 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) 31/7/2051	22 years Leasehold for 60 years	190.88 acres (8,314,733 sq. ft.: 772,438 sq. m.)	7,402.64	29,879,966

LIST OF PROPERTIES (Continued)
FOR THE FINANCIAL ENDED 29 FEBRUARY 2012

Description of Land	Tenure & Age	Land Area	Total Built-Up (sq. m.)	Net Book Value as at 28/02/2011
EUPE GOLF RECREATION & TOUR SDN BHD				
24. 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)	15 to 22 years Freehold	8.62 acres (375,487 sq. ft.: 34,897 sq. m.)	10,768.40	22,547,927
EUPE REALTY SDN BHD				
25. 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)	14 years Freehold	1.67 acres (72,642 sq. ft.: 6,748 sq. m.)	5,548.08	14,400,000
26. 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	Freehold	1.08 acres - (47,207 sq. ft.: 4,386 sq. m.)	1,650,000	
27. 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 (Sky Res - Block A)	Freehold	2.01 acres - (87,442 sq. ft.: 8,123 sq. m.)	7,914,818	
PASAR TAMAN RIA SDN BHD				
28. 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)	22 years Freehold	0.70 acres (30,574 sq. ft.: 2,840 sq. m.)	2,835.20	3,243,342
RIA PLAZA SDN BHD				
29. 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)	22 years Freehold	0.37 acres (16,307 sq. ft.: 1,515 sq. m.)	1,471.54	1,377,000



LIST OF PROPERTIES (Continued)

FOR THE FINANCIAL ENDED 29 FEBRUARY 2012

Description of Land	Tenure & Age	Land Area	Total Built-Up (sq. m.)	Net Book Value as at 28/02/2011
RIA FOOD CENTRE SDN BHD				
30. 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) (Vacant plot of freehold commercial land)-Wisma Jaya	22 years Freehold	0.34 acres (14,995 sq. ft.: 1,393 sq. m.)	1,235.57	1,249,000
EUPE HOTEL SDN BHD				
31. 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.)	-	4,072,662
MILLENNIUM PACE SDN BHD				
32. 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) - Longan planting	Freehold	47.86 acres - (2,084,782 sq. ft.: 193,683 sq. m.)	3,849,875	
TOTAL				**258,841,795**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth 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 Monday 27 August 2012 at 10.00 a.m. for the following purposes:-

AGENDA

1 To receive and adopt the Audited Financial Statements for the year ended 29th February 2012 together with the Report of the Directors and Auditors thereon. (please refer to Note No.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 1**

2.2 Ms. Kek Jenny **Resolution 2**

3 To re-appoint Messrs. RSM Robert Teo, Kuan & Co. as Auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 3**

4 To consider and if thought fit, to pass the following resolutions as an Ordinary Resolutions:

As Special Business:

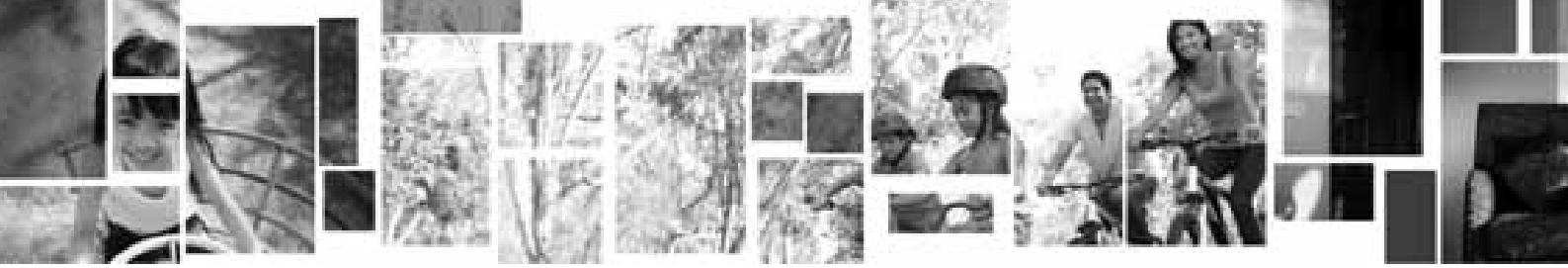
4.1 Authority to issue and allot shares **Resolution 4**

"**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 5**

"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 the relevant authorities (if any), the Board of Directors of the Company be and is hereby unconditionally and generally authorised, to the extent permitted by law, to make purchases of the Company's issued and paid-up ordinary share capital from time to time through Bursa Securities, subject further to the following:-

(a) The maximum aggregate number of ordinary shares which may be purchased and held by the Company must not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any point in time. ("Proposed Buy-Back")



NOTICE OF ANNUAL GENERAL MEETING (Continued)

4 To consider and if thought fit, to pass the following resolutions as an Ordinary Resolutions: (Continued)

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

(b) The maximum amount to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the Company's total retained profits and the share premium account at the time of purchase of the Proposed Share Buy-Back;

(c) The approval conferred by this resolution will commence immediately upon the passing of this resolution until:-

(1) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed at which time the authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;

(2) expiration of the period within which the next AGM of the Company is required by law to be held; or

(3) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first but not as to prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority; and

(d) upon completion of the purchase(s) of the EUPE Shares or any part thereof by the Company, the Directors be and are hereby authorised to cancel all the EUPE Shares so purchased, retained the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities or retain part thereof as treasury shares and canceling the balance and in any other manner 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 THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depositor account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities."

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)

TAN ENK PURN (MAICSA 7045521)
Company Secretaries

Sungai Petani,
Kedah Darul Aman
Date: 31 July 2012

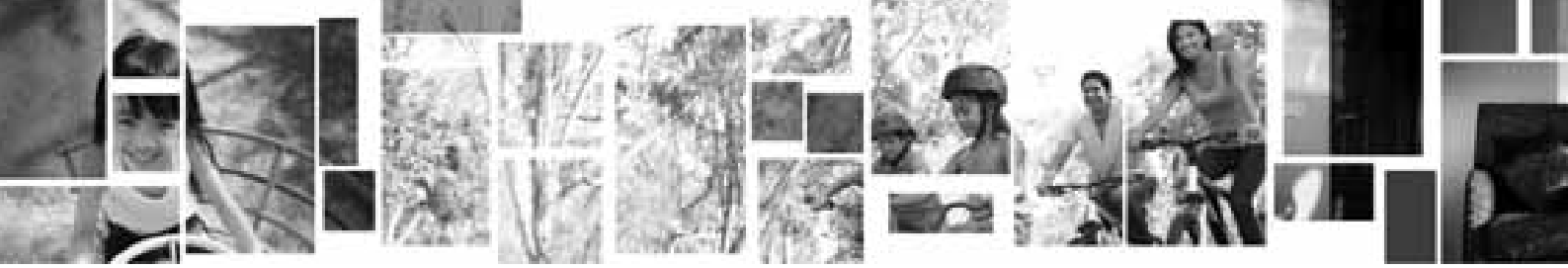
Explanatory Notes to Special Business:-

(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.4, if passed, is to authorise the Directors to issue up to 10% of the paid-up capital of the Company and will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future investment project(s), working capital and/or acquisition.

In order to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company up to any amount not exceeding in total ten (10) per centum of the issued share capital of the Company for the time being., for such purposes. 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 22nd August 2011.

(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 22nd August 2011. Further information on the Proposed renewal of authority for the Share Buy-Back is set out in the Statement to shareholders dated 31 July 2012 which is despatched together with the Company's 2012 Annual Report.



NOTICE OF ANNUAL GENERAL MEETING (Continued)

Notes:

(1) Agenda No.1

This item of the Agenda is meant to discuss only. The provisions of Section 169 of the Companies Act 1965 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

(2) Appointment of Proxy

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 appointer is a corporation, either under seal or under the hands of an officer or attorney duly authorised.

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.

(3) Only members whose name appear in the Record of Depositors as at 15 August 2012 (at least 3 market days before AGM date) will be entitled to attend and vote at the meeting.

(4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.

STATEMENT ACCOMPANYING
NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING OF EUPE CORPORATION BERHAD

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

   Article 82

   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 11 of the Annual Report 2012. The Directors' shareholdings in the Company are set out in the Analysis of Shareholdings which appear on page of the Annual Report 2012

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	3/4
Datin Paduka Teoh Choon Boay	3/4
Dato' Beh Huck Lee	4/4
Tan Hiang Joo	4/4
Kek Jenny	3/4
Muhamad Faisal Bin Tajudin	4/4
Dato' Paduka Haji Ismail bin Haji Shafie	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 : 27 August 2012 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 EUPE Corporation Berhad 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 Sixteenth 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 Monday, 27 August 2012 at 10.00 a.m. and at any adjournment thereof in the manner indicated below:

NO	RESOLUTION		FOR	AGAINST
1.	To re-elect the retiring Director, Mr. Tan Hiang Joo pursuant to Article 82 of the Company's Articles of Association	Resolution 1		
2.	To re-elect the retiring Director, Ms Kek Jenny pursuant to Article 82 of the Company's Articles of Association	Resolution 2		
3.	To re-appoint Auditors and to authorise the Directors to fix their remuneration	Resolution 3		
4.	Special Business : Authority to issue shares pursuant to Section 132(D) of the Companies Act 1965 (Ordinary Resolution)	Resolution 4		
5.	Special Business : Proposed renewal of authority to purchase its own shares by the Company (Ordinary Resolution)	Resolution 5		

(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 _____ 2012

_____

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 appointer 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.
3. Only members whose name appear in the Record of Depositors as at 15 August 2012 will be entitled to attend and vote at the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.

Affix
Stamp

The Company Secretary

EUPE CORPORATION BERHAD (377762-V)

5th Floor

Wisma Ria, Taman Ria

08000 Sungai Petani

Kedah Darul Aman, Malaysia

EUPE CORPORATION BERHAD
(377762-V)

5th Floor, Wisma Ria Taman Ria,
08000 Sungai Petani, Kedah Darul Aman, Malaysia.

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