COMMITMENT
PROGRESS
ACCOUNTABILITY
RESILIENCE
SUSTAINABILITY

EUPE
CORPORATION BERHAD
(377762-V)

CONTENTS

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' Paduka Haji Rasli Bin Basir

Independent Non-Executive Director
Kek Jenny

Independent Non-Executive Director
Tan Hiang Joo

AUDIT COMMITTEE

Chairman
Tan Hiang Joo

Members
Dato' Paduka Haji Rasli Bin Basir
Dato' Paduka Haji Ismail Bin Haji Shafie
Kek Jenny

COMPANY SECRETARY

Ng Bee Lian (MAICSA 7041392)

NOMINATING COMMITTEE

Chairman
Dato' Paduka Haji Rasli Bin Basir

Members of the Committee
Tan Hiang Joo
Kek Jenny

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad (6815)

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5th Floor, Wisma Ria, Taman Ria,
08000 Sungai Petani,
Kedah Darul Aman, Malaysia.
Tel : +604-441 4888 Fax : +604-441 4548

PRINCIPAL BANKERS

RHB Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
AmBank Malaysia Berhad
United Overseas Bank (M) Berhad

AUDITORS

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Level 11-2, Faber Imperial Court,
Jalan Sultan Ismail,
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SOLICITORS

Wong, Beh & Toh
Haji Mahmud & Partners
Syarikat Ng & Anuar
Wong-Chooi & Mohd. Nor

MESSAGE FROM THE MANAGING DIRECTOR

The past 12 months has been marked by both consolidation and preparation as Eupe moves into a major growth stage.

On the one hand, the company has been focussed on consolidating and growing our market share in our 'home-base' property markets of Kedah, as well as progressing key township developments.

On the other, we have been carefully assembling the building blocks to make sure our strategic entry into the Kuala Lumpur property market is successful.

As we focus on expanding our property development division, Eupe's other divisions are focussed on restructuring and change so they remain competitive in their respective market segments and increase their future contribution to the Group's bottom line.

The company also remains focussed on setting a strong leadership example through sustainability investments targeted at community building and education (see Sustainability Report on page 14-15).

FINANCIAL PERFORMANCE

In what has continued to be a challenging and competitive economic environment, I am pleased to report that total revenue for the Group was RM186 million - a 27 per cent increase on last year.

This translated into overall profit before tax of RM20 million - a 20 per cent decrease on the Group's result last year.

The reduction in profit before tax compared to the overall increase in Group revenue was due largely to the type of properties sold this year, whereby the sales mix was geared more to lower margin units.

This mix is planned to return to higher margin properties as key high-end projects continue to be launched and sold over the next 18 months.

Eupe's property development and property construction divisions again anchored our full-year results, accounting for more than 90 per cent of overall Group revenue.

Our property development division achieved revenue of RM105 million for the year, an 8 per cent rise on last year's result. This meant a profit before tax of RM18 million, a 24 per cent decrease on the previous year, due to the reasons highlight above.

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

Eupe's property construction division increased its revenue by 101 per cent on last year, to RM64 million. This meant a divisional profit before tax of RM4million, up 192 per cent on last year. This profit outcome compared to revenue is due to lower margins in the construction industry, compared to our property development division.

I am pleased to report that this year saw the resumption of dividends, with shareholders receiving an annualised dividend of 2 per cent.

As I mentioned in last year's Annual Report, our decision to withhold dividends for a period was prompted by the need to strengthen our balance sheet to hedge against market volatility and provide Eupe with the financial resources and flexibility to pursue higher-growth opportunities in Kuala Lumpur. Going forward, the Board is proposing a single tier interim dividend of 2 per cent for the next financial year.

PREPARING FOR GROWTH IN KUALA LUMPUR

Eupe has embarked on two major residential developments in Malaysia's capital that mark the beginning of a major new growth path for the company.

They are the 41-storey Novum development in South Bangsar and the 39-storey The Weave project in Cheras.

Planning and design of both developments, which are in highly sought-after locations in the capital and have a combined GDV in excess of RM800 million, are nearing completion. Both projects, subject to final planning approvals, will be fully launched by early next year.

As I highlighted in the Annual Report last year, the move into Kuala Lumpur is a logical step for Eupe in terms of extending its proven business model into higher-value opportunities.

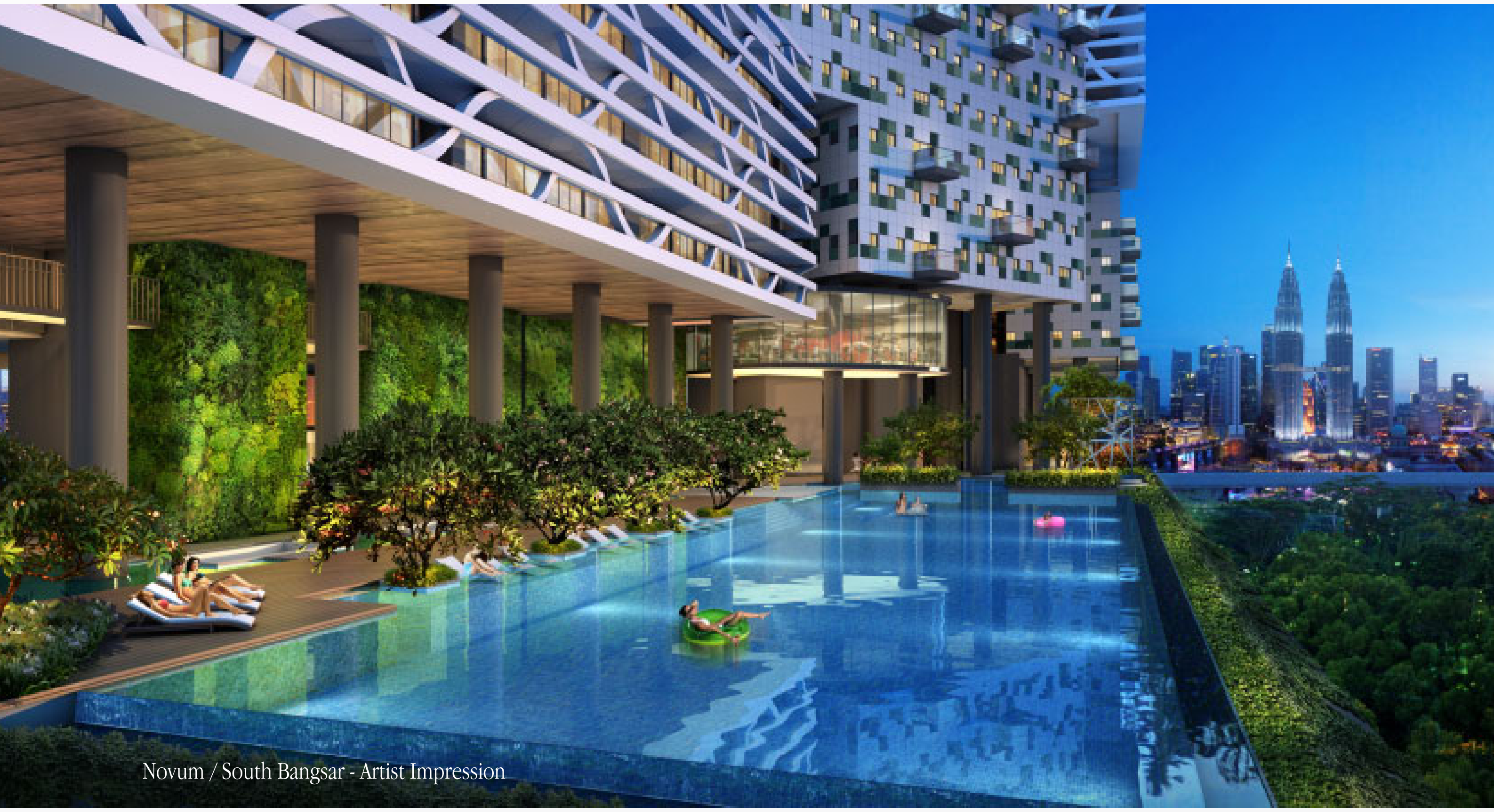
Eupe's forte in northern Malaysia has been to set new, innovative design and lifestyle standards with an emphasis on premium affordable living.

We aim to bring the same emphasis on innovation and affordable quality with both Novum and The Weave to raise the bar on modern urban living, and in the process create a clear point of differentiation with our competitors.

To ensure our model is successfully implemented in this strategic new growth market, the company has been focussed on strengthening its internal capacities and processes.

Novum / South Bangsar - Artist Impression

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)



Novum / South Bangsar - Artist Impression

Over the past 12 months, we have appointed new senior personnel, with significant experience in the property sector - and in particular Kuala Lumpur - to strengthen our management focus and drive internal performance.

The company has also engaged leading consultants - again with significant expertise and experience in the Kuala Lumpur market - to advise and manage the external and internal design of both developments.

We have also carried out significant market research to test our design and value propositions for both projects, and engaged market agents that have a significant track record of success in selling to the projects' target markets.

Moreover, we have also undertaken a major risk assessment for the Group and put in place robust processes to ensure risks are comprehensively identified and proactively addressed.

In order to expand our development footprint in Kuala Lumpur and ensure growth momentum is achieved in what will increasingly become Eupe's core market, we have also secured a third piece of land near the city's centre.

As with the other two developments, the parcel - located in Seputeh and adjacent to premium residential and commercial precincts - is also in a highly sought-after area. We are currently assessing various options for how we will develop this opportunity.

In the meantime, we continue to actively seek out other land purchase opportunities in order to expand our pipeline of projects for Kuala Lumpur going forward.

BUILDING OUR CORE MARKETS

As our focus expands to Malaysia's capital, we remain firmly focussed on achieving the best possible results in our core markets in and around Sungai Petani, Kedah's main population centre.

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

The recent launch of Cinta Sayang Resort Villas, adjacent to the Cinta Sayang Resort, was a major success with more than 60 of the project's total 200 properties sold on the first launch day.

This take-up reflects both the quality of development in terms of design and amenities, combined with its much sought-after location.

The first phase of our other premium Sungai Petani development, The Somerset, has been largely sold, with significant buyer interest exceeding expectations.

The market response to The Somerset has been particularly pleasing as it is the first project in Sungai Petani in which all units have been priced above RM1 million.

Both projects highlight Eupe's ability not only design and construct innovative, premium products, but to create and shape new, high-value markets.

Cinta Sayang Resort Villas / Sungai Petani - Actual photo

Cinta Sayang Resort Villas / Sungai Petani - Artist Impression

Construction of the Alma Hillpark project continues on schedule, with interest also very strong for what is another landmark residential project in terms of quality design and innovative resident facilities for mainland Penang.

Though our commercial reach continues to expand into higher-value market segments, we remain committed to our township development activities in Kedah.

Our Puncak Surya and Astana Parcel E township projects in Sungai Petani were among the Group's strongest contributors to our bottom line.

The stability and consistency of returns from these and other township projects are important foundations for the Group's ongoing growth. That means that we continue to actively seek out new development opportunities, in addition to the township developments we are currently completing.

OTHER DIVISIONS

Eupe's other divisions recorded mixed results for the year.

Cinta Sayang Resort remains in turnaround mode, recording an overall loss of RM1.7 million for the year due to investments being made to address immediate operational issues, as well as repositioning the resort for new markets.

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)


The Somerset / Sungai Petani - Artist Impression

Losses are expected to continue in the short-term as the turnaround continues. The focus over the next 12 months is on targeted investment to modernise the Resort and its facilities, improving internal processes, customer service and building stronger links with higher-value tourism and corporate opportunities.

On the other hand, Riacon, our civil engineering and construction division, has made good inroads in improving its commercial and operational processes while strengthening its management focus.


The Somerset / Sungai Petani - Artist Impression

Continual improvements in these areas will allow it to compete more effectively for projects other than those it is commissioned to build by the company's property development arm.

Our property management arm, which manages food stall facilities in Sungai Petani, is developing plans to update these facilities.

The arm is also actively looking at opportunities to leverage off our new residential developments in Sungai Petani and Kuala Lumpur through the development of small-scale malls to service local needs.


The Somerset / Sungai Petani - Artist Impression

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

MARKET OUTLOOK

The overall outlook for the Malaysian property sector remains neutral to positive.

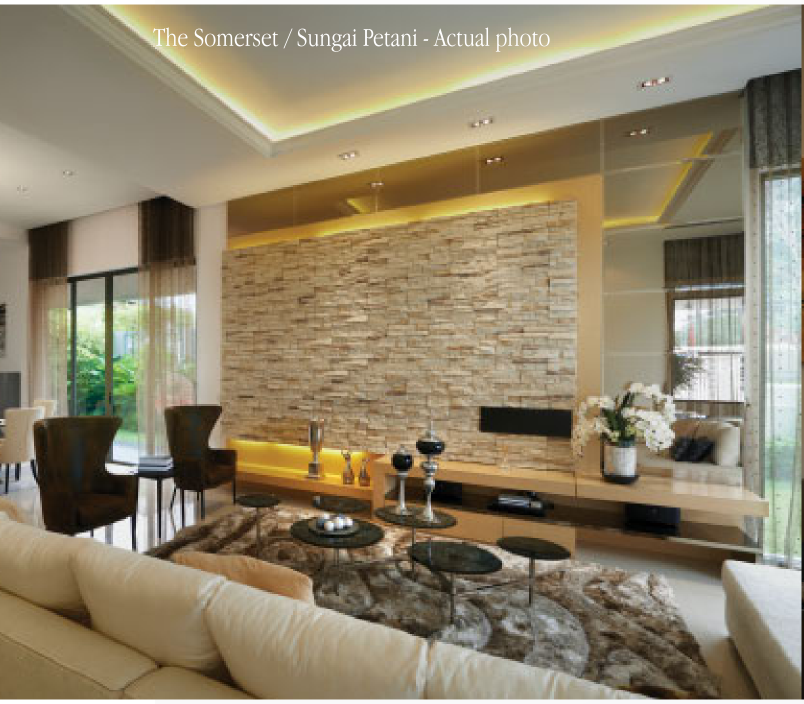
Property growth generally is entering a consolidation phase through a combination of government measures to reduce property speculation and a slight cooling off in market demand overall.

While these trends will slow returns for the property sector generally in the short-run, they are positive in the longer-term in terms of ensuring underlying growth and demand is sustainable.

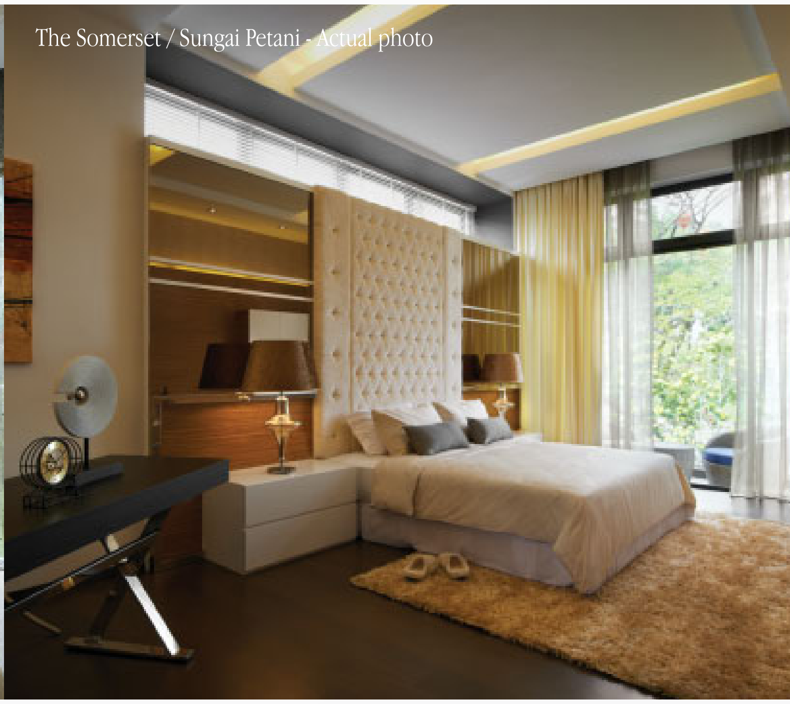
The Government's introduction of a Goods and Services Tax next year will obviously have a measurable price impact in terms of increasing construction and other property costs.

But we do not believe the new tax and its flow-on effect will create serious distortions for consumer demand.

More generally, with global volatility stabilising, we see the Malaysian economy continuing to grow in a measured way in the medium term, even as the Government continues its program of rationalising subsidies.



The Somerset / Sungai Petani - Actual photo



The Somerset / Sungai Petani - Actual photo

Our balance sheet, with a net gearing ratio of 13 per cent, remains strong and that continues to provide an important hedge against unexpected volatility.

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

CONCLUSION

In summary, the year has been a solid one in terms of financial results, as well as preparations made to ensure Eupe is fully prepared to meet the challenges associated with its entry into the Kuala Lumpur market.

Another significant internal change was made this year which, through strictly not a financial milestone, is nonetheless an important one.

Eupe's new mission and vision statement makes 'trust' the company's organising principle.

By committing to this new statement that 'Eupe aims to become the most trusted brand in every sector that we operate', we strive to ensure that growing and maintaining trust with all our customers, our business partners and our investors is front and centre in everything we do.

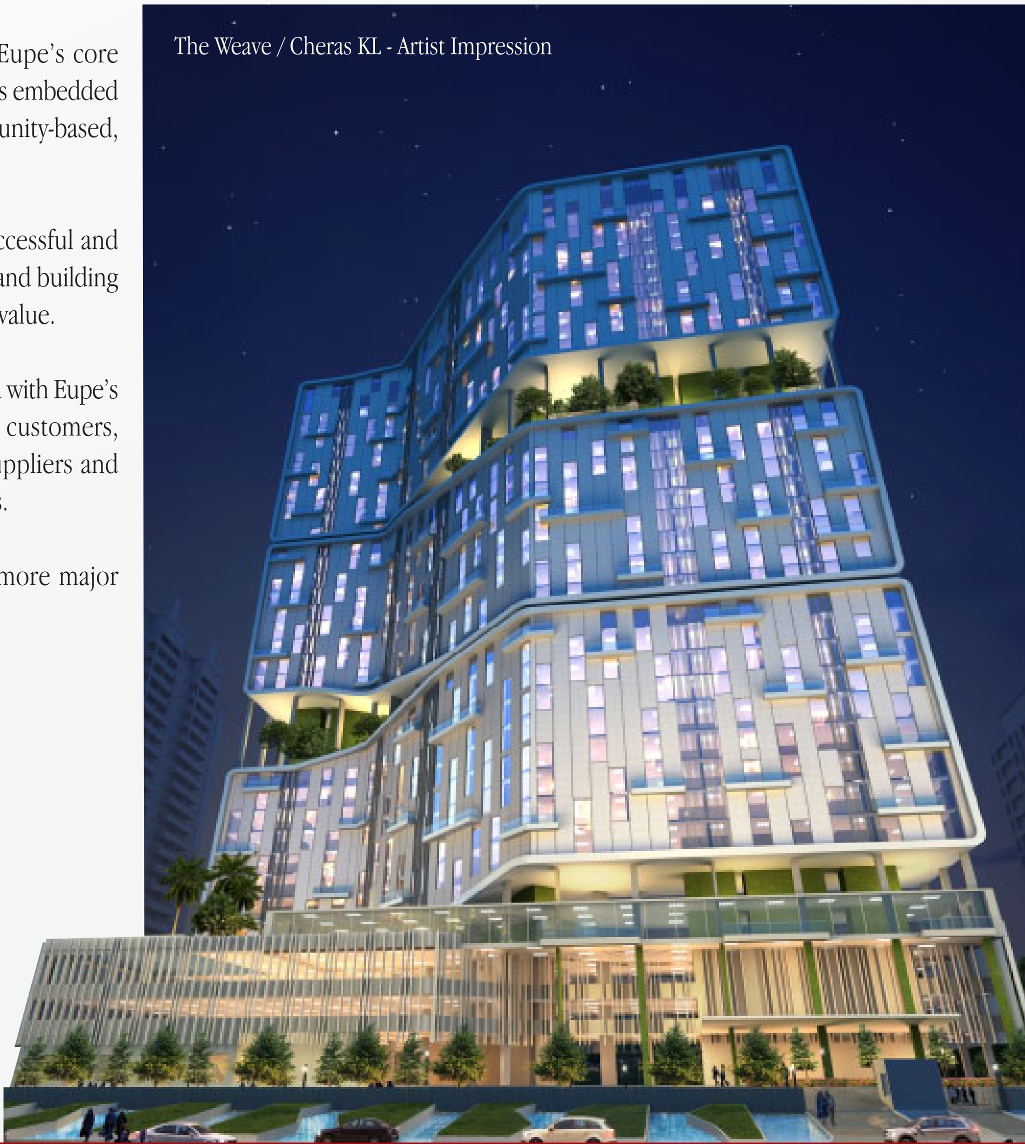
As Managing Director, I chose trust as Eupe's core focus because it is an enduring value that is embedded in our near thirty-year history as a community-based, township developer.

It is also the value at the core of any successful and sustainable business because by creating and building trust, we also create and build long-term value.

Finally, I want to thank everyone associated with Eupe's performance this year, including all our customers, staff, business partners including our suppliers and contractors, and most of all, our investors.

I look forward to reporting to you on more major milestones for the Group next year.

Dato' Beh Huck Lee
Managing Director
19 July 2014



PROFILE OF DIRECTORS

Dato' Beh Huck Lee
DSDK, AMK
Managing Director

Aged 44. 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 any offence within the past ten years.

PROFILE OF DIRECTORS (CONTINUED)

Muhamad Faisal bin Tajudin
Non-Independent Executive Director

Aged 44. Appointed to the Board on 30 June 2006.

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

Attended all four board meetings in the financial year. No conflict of interest with the Group and is the son of Dato' Tajudin bin Haji Hashim. Is also a director of Betaj Holdings Sdn Bhd, a major shareholder of the Company. Has not been convicted of any offence within the past ten years.

Tan Hiang Joo
Independent Non-Executive Director

Aged 51. Malaysian. Appointed to the Board on 19 May 1997.

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

Attended all four 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 any offence within the past ten years.

PROFILE OF DIRECTORS (CONTINUED)

Datin Paduka Teoh Choon Boay

Non-Independent Non-Executive Director

Aged 66. Malaysian. Appointed to the Board on 19 May 1997.

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

Attended all 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 any offence within the past ten years.

Kek Jenny

Independent Non-Executive Director

Aged 50. 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 any offence within the past ten years.

PROFILE OF DIRECTORS (CONTINUED)

Dato' Paduka Haji Ismail bin Haji Shafie
DHMS, DSDK JMN, BCK, JP.
Independent Non-Executive Director

Aged 67. 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 a director of Permodalan Kedah Berhad and Supportive Resources Berhad.

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

Dato' Paduka Haji Rasli bin Basir
DHMS, DGMK, DSDK, PJN, SDK, AMK, BCK, BPL, JP
Independent Non-Executive Director

Aged 61. Appointed to the Board on 18 June 2013.

Holds a Bachelor of Arts (Hons) in Anthropology and Sociology and a Masters Degree in Administrative Study. Served as State Secretary of Kedah from 2009-2013. Other posts held include District Officer of various districts, State Director or Land and Mines (Kedah), and State Financial Officer.

Among his other capacities were as President of PBT Kulim Hi-Tech Park, Chairman of Zakat Negeri Kedah, Chairman of Lembaga Kemajuan Penanam Padi Negeri Kedah, Chairman of Lembaga Tabung Masjid and Chairman of Institut Pengurusan dan Integriti Negeri Kedah.

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 any offence within the past ten years.

SUSTAINABILITY REPORT

PLANET EUPE MUSIC FEST
A WHOLE NEW WORLD

▪ Wang Lee Hom performing at Planet Eupe ▪

Eupe believes strongly in the need to invest in communities it does business in.

Stronger communities - economically, educationally and socially - mean stronger businesses.

Eupe involves itself in a range of community building programs as part of its Sustainability Strategy, continuing a proud legacy of investing in the community since the company began operations nearly three decades ago.

PLANET EUPE MUSIC FEST - STRENGTHENING THE COMMUNITY

Eupe focussed its sustainability energies this year on a major ground-breaking event - the Planet Eupe Music Fest.

The Fest, held at The Carnivall water park in Sungai Petani, showcased some of the biggest and best music acts in Asia and was one of the biggest entertainment and cultural events ever held in northern Malaysia.

The Fest's line-up included one of Asia's most popular entertainers, Wang Lee Hom, Taiwanese electro-pop sensation, Jeannie Hsieh, Malaysia's biggest international star Yuna, as well as acclaimed Korean boy band U-KISS.

More than 12,000 people attended the six-hour Fest, which also showcased a number of Malaysia's best emerging music and dance acts, including the Malaysian finals of Hip Hop International.

Eupe organised and hosted the Fest for two reasons.

The first was to say thank you to the people of Kedah for their support of the company since it commenced operations in 1986.

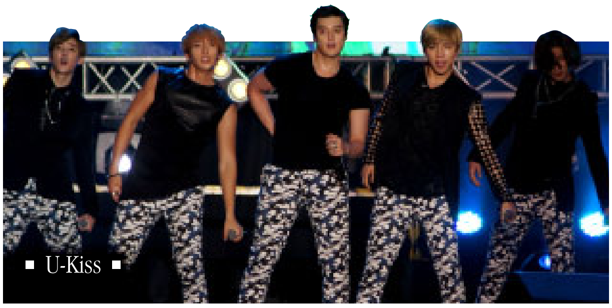
▪ Jeannie Hsieh ▪

Secondly, it wanted to show the world that Kedah, which is often bypassed by major events, could successfully host a world-class entertainment event and make it easier for similar events to be staged in northern Malaysia.

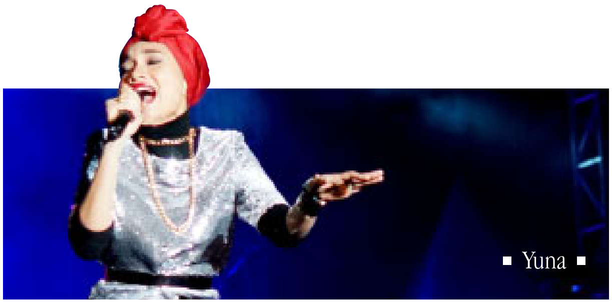
As part of its Sustainability Strategy, Eupe subsided the cost of tickets so as many local people as possible could afford to experience the unique event.

One thousand free tickets were given out to young music fans and the underprivileged to attend the Fest.

More than a dozen schools in Sungai Petani and Penang were also given free tickets as a way of rewarding high-achieving and other deserving students.



▪ U-Kiss ▪



▪ Yuna ▪

HARNESSING COMMUNITY POTENTIAL

Eupe continues to provide a range of support, both financial and in-kind, to a range of community groups and those in need of special assistance.

Over the past year, the Group has distributed funds to a range of deserving causes and organisations including aged care facilities, community support groups and events, as well as people in need of short-term help with health care expenses.

As part of the **Eupe Continuing Education Funds** program, it also continues to provide targeted assistance to disadvantaged students with the potential to excel to help further their educational studies.

NEW SUSTAINABILITY DIRECTIONS

As the Group turns its focus to larger residential developments in Kuala Lumpur, its capacity to implement sustainability practices that have wider community impacts will increase.

Sustainability is front of mind in the planning and design of our new residential projects in South Bangsar and Cheras. For example, both buildings will utilise water saving fixtures with the potential to save residents and the broad community millions of litres of water a year.

Eupe is also implementing a new **Trusted Neighbour** program for each of its new residential projects. The program will see the company allocate a proportion of its investment in each project on improving the amenity and safety of surrounding neighborhoods.

In the case of The Weave project in Cheras, Eupe plans to build guard posts in various nearby areas to improve community safety.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (the "Board") of EUPE Corporation Berhad (the "Company") is fully committed to maintaining the highest standards of corporate governance, professionalism and integrity to create and deliver long-term, sustainable shareholder value.

The Board is pleased to report the application of the underlying Principles and Recommendations set out in the Malaysian Code on Corporate Governance 2012 (the "MCCG2012" or the "Code"). This Corporate Governance Statement covers the Company's corporate governance for the financial year ended 28 February 2014. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observation, including the reasons thereof, is included in this statement.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Group is headed by a Board, comprising Executive, Independent Non-executive and Non-Independent Non-executive Directors who are collectively responsible for the following:

- Review any strategic plans for the Company and its subsidiaries;
- Oversee the conduct of the Company's businesses and the performance of management;
- Identify principal business risks faced by the Company and its subsidiaries and ensure the implementation of appropriate internal controls and mitigation measures;
- Consider succession planning for Senior Management positions;
- Develop and implement a shareholder communications policy;
- Review the adequacy and the integrity of the Company's internal control systems and management information systems; and
- Establish a Directors' Code of Ethics and to initiate action should they believe that the code has been breached.

In discharging its fiduciary duties the Board has delegated specific tasks to Board Committees which operate within defined terms of reference. These committees have the authority to examine particular issues and report to the Board on their proceedings, deliberations, together with their recommendations. However the ultimate responsibility for the final decision on all matters lies with the Board.

The Board Committees are:

1. Nominating Committee
2. Audit Committee

Although all Directors owe fiduciary duties towards the shareholders, the Executive Directors oversee the daily business operations, whereas the Non-Executive Directors' main role is to bring objective and independent insight into the Board's decisions.

Board Charter

The Board has formalised its Board Charter in June 2013 to align with Recommendation 1.7 of the Code as well as to set out the roles and functions of the Board and the Management. Whilst the Board is responsible for creating the framework and policies within which the Company should be operating, Management is responsible for instituting compliance with laws, regulations, rules, directives and guidelines, including the achievement of the Company's corporate objectives.

The Board will periodically update its Board Charter according to the latest developments within the Company, as well as regulatory requirements. The Charter is available on the Company website at www.eupe.com.my

Code Of Ethics And Integrity (Whistle-Blowing) Policy

To enhance the standards of corporate governance and corporate behaviour, the Board formalised a Code of Ethics in mid 2013 to set out the standards of ethics and conduct expected from its Directors and employees.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The Integrity (Whistle-Blowing) policy which was formalised in April 2012 provides an avenue for a whistle-blower to raise concerns about a breach in the Code of Ethics or corporate fraud involving any member of the Company. Concerns shall be addressed according to procedures determined by the policy.

A summary of the Code of Ethics and the Integrity (Whistle-Blowing) policy are made available on the Company's website at www.eupe.com.my.

Sustainability Of Business

The Board is mindful of the importance of business sustainability and has incorporated the Company's Corporate Sustainability Policy, which considers the environmental, social and governance impacts of its activities, into its corporate strategy. Additionally, the Company's activities on corporate social responsibilities and sustainability are outlined on pages14-15 of this Annual Report and on the Company's website at www.eupe.com.my.

Supply Of, And Access To, Information

The Board has full and independent access to Management, external consultants and the Company Secretary for information needed to effectively carry out its duties.

Management provides the Board with Board papers which include, amongst others, the following:

- Minutes of the previous Board meetings;
- Minutes of the previous Audit Committee meeting;
- Quarterly financial results of the Company;
- Financial performance and operations of the divisions; and
- Future plans and projections of the Company.

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

Independent professional advice may be sought in the furtherance of the Directors' duties and responsibilities at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter.

The Board is also regularly updated and advised by a Company Secretary who is qualified, experienced and competent on statutory and regulatory requirements. The Company Secretary briefs the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretary attends all Board and Audit Committee meetings to ensure that the meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The appointment and removal of the Company Secretary, if any, is a matter for the Board as a whole to decide.

PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD

At the date of this Statement, the Board consists of seven (7) members, comprising two (2) Executive Directors and five (5) Non-Executive Directors, four (4) of whom are Independent. This composition fulfills the requirements set out under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. Dato' Jaafar bin Jamaludin who had served on the Board for 14 years as an Independent Non-Executive Director, resigned from the Board on 6th August 2013. Dato' Paduka Haji Rasli bin Basir joined the Board as an Independent Non-Executive Director on 18th June 2013. The profile of each Director is set out on pages 10-13 of this Annual Report.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Nominating Committee

The Board has set up a Nominating Committee comprising wholly of Non-Executive, Independent Directors.

The Nominating Committee will meet as and when required at least once a year. The first meeting of the commitment is scheduled for August. The members of the Nominating Committee are:

1 Dato' Paduka Haji Rasli bin Basir (Chairman)
2 Kek Jenny
3 Tan Hiang Joo

The Nominating Committee is empowered by the Board through clearly defined terms of reference to oversee the assessment of Directors, nominate to the Board the candidature of Directors, appoint Directors to Board Committees and review the Board's succession plans and training programs.

Its duties include:

Board composition

- Review Board diversity policy by considering the mix of skills, expertise, knowledge, independence and diversity representation of the Board to optimise its effectiveness, creativity and capacity;
- Consider the size of the Board and Board Committees with a view of determining the impact of the number upon the Board and Board Committees' effectiveness, and recommend to the Board any improvement to be made; and
- Review and oversee the development of a succession planning framework for the Board members.

Board Nomination and Election Process

- Review the nomination and election process of Directors including that for candidature in Board Committees;
- Develop, maintain and review the criteria to be used in the recruitment process;
- Make recommendations to the Board, candidates for all directorships in the Company. All candidates shall be assessed for suitability based on the following criteria:
    - skills, knowledge, expertise and experience;
    - character, professionalism and integrity;
    - diversity;
    - commitment;
    - competence;
    - contribution and performance;
    - number of directorships and other external obligations held which may affect time commitment and value contribution; and
    - in the case of candidates for the position of Independent Director, the Nominating Committee shall also evaluate the candidates' ability to discharge such responsibilities/ functions as are expected from Independent Directors.
- Set out and communicate the expectations of Directors regarding the level of contribution and time commitment, and obtain this commitment in writing including an indication of time that will be spent on the appointment from the Directors upon appointment;
- Recommend to those Board Directors to fill the seats on Board Committees; and
- Review the re-appointment and re-election process of Directors having due regard to their performance ability to continue to contribute to the Board in light of knowledge, skills and experience required.

Assessment undertaken in respect of its Board, Committees and individual Directors

- Develop, maintain and review the criteria to be used in the assessment of Board as a whole, Board Committees and individual Directors;
- Conduct annual assessments on the effectiveness of the Board as a whole, Board Committees and the contribution of each individual Director;
- Conduct annual review on the required mix of skills, experience and other qualities of the Board, including core competencies which NEDs shall bring to the Board; and
- Develop and review the criteria to assess the independence of INEDs.

Training of Directors

- Recommend to the Board and facilitate appropriate education programme for Directors;
- Evaluate the training needs of Directors based on Directors' feedback and results from assessments and propose relevant training courses; and
- Ensure that the Directors are kept abreast of all regulatory changes and developments in the business environment.

The details of the Nominating Committee's terms of reference are attached to the Board Charter under Appendix VI.

During the financial year under review, one Nominating Committee meeting was held of which all members has attended.

During the financial year under review, the Committee has reviewed the size and composition of the Board, taking into consideration the changes to the Board and with particular consideration on the impact on the effective functioning of the Board. The Committee is of the view that the required mix of skills and experience of existing Directors, including the 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.

Induction

The Board Charter is the primary informational source and induction literature for prospective Board Members. It also serves to assist the Board in making an assessment of its own performance and that of its individual Directors. For each new Director appointed to the Board, the Nomination Committee will set out and communicate the expectations of Directors regarding the level of contribution and time commitment, and obtain this commitment in writing upon the appointment of a new Director, including an indication of time that will be spent on the appointment.

Re-election Of Directors

Article 82 of the Articles of Association provides that one-third (1/3) of the Directors, or if their number is not a multiple of three (3), the number nearest to one-third (1/3), shall retire from office at each Annual General Meeting and may offer themselves for reelection. All Directors including Managing Director shall retire at least once 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 and sufficient information such as the personal profile and meeting attendance of each Director is furnished in the Annual Report to assist shareholders in their making their decision.

Directors' Remuneration

The Board has not established a Remuneration Committee for it is of the opinion that the roles and responsibilities of a Remuneration Committee can be assumed by the Board as a whole. Nevertheless, the Board in observing Recommendation 2.3 of the Code formalised a Remuneration Policy for its Directors in June 2013 which is included in appendix VII of the Board Charter. Broadly, the Directors' remuneration packages are dictated by market competitiveness and the level of experience or responsibilities involved.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

The remuneration packages of the Executive Directors are aligned with the business strategy and performance of the Company and are tailored to attract, retain and motivate Directors of the quality required to manage the business of the Company.

In deciding on the appropriate level of fees for each Non-Executive Director, the Board takes into consideration the experience, the level of responsibilities undertaken, time commitment required in attending both the scheduled and special Board meetings, deliberation time required for Board papers, as well as the number of membership of Board Committees. Any review or change to the existing package will be deliberated upon by the Board as a whole. The Directors will abstain from the deliberation of their individual remuneration.

The aggregate remuneration of Directors for the financial year ended 28 February 2014 is as follows:

	Executive RM'000	Non-Executive RM'000
Salaries and EPF	776	-
Bonuses	103	-
Allowances	29	120
Total	**898**	**120**

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

Remuneration bands (RM)	Executive	Non-Executive
0 - 50,000	-	5
450, 001 - 500,000	2	-
Total	**2**	**5**

PRINCIPLE 3 - REINFORCE INDEPENDENCE OF THE BOARD

The Board comprises seven (7) directors with a majority of Independent Directors as follows:

- Two (2) Executive Directors
- One (1) Non-Independent Non-Executive Director
- Four (4) Independent Non-Executive Directors

Although the Board has not identified a permanent Chairman, the Board will at each of its meetings appoint a Chairman from the Independent Non-Executive Directors present.

The Chairman shall function as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that there is no unfettered decision making by Executive Directors.

The Board formalised its Directors' independence policy in mid 2013, setting out the requirement for the Board to undertake an assessment on its Independent Directors annually to align itself with the MCCG 2012. This Independence Policy is set out in Appendix IV of the Board Charter. The criteria for such assessments have been adapted from definitions from Paragraph 1.01 of Bursa's Main Market Listing Requirements, the Companies Act 1965 and the MCCG 2012.

The Board Charter also addresses the recommendation of the Code to restrict the tenure of an Independent Director to a cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to re-designation as a Non-Independent Non-Executive Director. Should the Board intend to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at an Annual General Meeting. In justifying the decision, the Board shall assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.

Following the assessment and deliberation by the Board, the following Independent Non-Executive Directors of the Company who have served in that position for a cumulative term of more than 9 years as at the end of the financial year under review shall be recommended by the Board to continue to act as Independent Non-Executive Directors subject to shareholders' approval at the forthcoming Annual General Meeting of the Company:

Directors	Tenure of service
Tan Hiang Joo	17 years
Kek Jenny	12 years

The Board believes that the above Directors possess the right balance of experience, expertise, skills and competencies to contribute independent and objective judgment to the Board. Additionally, they have exercised due care during their tenure and have carried out their professional duties in the best interests of the Company and its shareholders. They hold a solid understanding of the Company's business operations from the time already spent with the Board to effectively contribute to its deliberations.

PRINCIPLE 4 - FOSTER COMMITMENT OF DIRECTORS

It is the policy of the Company for Directors to devote sufficient time and effort in carrying out their responsibilities. Among ways of ensuring this are obtaining the Director's commitment upon appointment and requiring all Directors to attend at least half of the meetings held for the financial year under review. Additionally, Directors shall notify the Board before accepting any new directorship in listed issuers; the notification of which shall include an indication of time that will be spent on the new appointment.

During the financial year under review, four (4) Board meetings were held and details of Directors' attendance are as follows:

Directors	Number of meetings attended
Dato' Beh Huck Lee	4/4
Muhammad Faisal Bin Tajudin	4/4
Datin Paduka Teoh Choon Boay	4/4
Tan Hiang Joo	4/4
Kek Jenny	3/4
Dato' Paduka Haji Ismail Bin Haji Shafie	4/4
Dato' Paduka Haji Rasli bin Basir	3/3

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Directors' Training

The Board acknowledges that continuous education and relevant training is important for the Directors to exercise their professional duties in the best interest of the company. The Nominating Committee supports the process by evaluating Directors training needs, recommending and faciliating appropriate education programs and ensuring that Directors are kept abreast of all regulatory changes and developments in the business environments.

All Directors have completed the Mandatory Accreditation Programs under the auspices of Bursa and have been briefed on current regulatory issues as well as new relevant laws and regulations by the Company's auditors and Company Secretary.

During the financial year ended 28 February 2014, Directors attended the following programs:

Name of Directors	Training Programs
Dato' Beh Huk Lee Dato' Paduka Haji Rasli Bin Basil Dato' Paduka Haji Ismail Bin Haji Shafie Datin Paduka Teoh Choon Boay En Muhammad Faisal Bin Tajudin Kek Jenny	Briefing on the Malaysian Code on Corporate Governance (MCCG 2012)
Dato' Paduka Haji Rasli Bin Basil	Mandatory Accreditation Programme for Directors of Public Listed Companies
Dato' Paduka Haji Rasli Bin Basil	Failed Business : Deriving Sound Strategic Insights
Dato' Beh Huk Lee	2014 Budget & Tax Outlook
Kek Jenny	Corporate Planning & Sustainability Training
Kek Jenny	Risk Management & Internal Control Workshops For Audit Committee Members
Dato' Beh Huk Lee Datin Paduka Teoh Choon Boay	Briefing Session On Corporate Governance Guide: Towards Boardroom Excellence

PRINCIPLE 5 - UPHOLD INTEGRITY IN FINANCIAL REPORTING BY COMPANY

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the Annual Report and the quarterly announcement of results. The Board is assisted by the Audit Committee to oversee the Company's financial reporting process and the quality of its financial reporting.

The Audit Committee members meet on a quarterly basis to review the integrity and reliability of the Company's financial statements prior to recommending them for the Board's approval. The Board deliberates on these financial statements before they are publicly released together with explanatory notes on the Group's quarterly and year-end performances.

Suitability and Independence of External Auditors

The Board, via the Audit Committee, has formalised policies and procedures to assess the suitability and independence of the external auditors in mid 2013. In ensuring that the provision of non-audit services to the Company does not impair the external auditors' independence or objectivity, the policy sets out the thresholds and procedures that need to be observed when contracting the external auditors to provide such services.

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.

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 met; 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.

PRINCIPLE 6 - RECOGNISE AND MANAGE RISKS

Recognising the importance of risk management, the Board has in past years formalised a structured Enterprise Risk Management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group. In March 2014, the Board commissioned an independent consultant to undertake a new independent review and assessment of the principle risks and ascertain the adequacy of the risk management system in place in managing the principal risks of the Group.

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Board has outsourced its internal audit function to an independent professional firm which reports directly to the Audit Committee. The scope of work covered by the internal audit function during the financial year under review is provided in the Internal Control Statement of the Company set out on pages 26-28 of this Annual Report.

PRINCIPLE 7 - ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

During the financial year under review, the Board has undertaken means of formalising its existing internal corporate disclosure policies and procedures not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also in setting out the protocols for disclosing material information to shareholders and stakeholders. 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.

For the purpose of ensuring effective dissemination, the Company has dedicated a section in its Company website whereby shareholders can access information relating to the Group.

PRINCIPLE 8 - STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholder participation at general meeting

The Annual General Meeting ("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 inform them of the Company's direction and performance. The Managing Director or any competent officer addresses the shareholders on the review of the Company's performance for the financial year and outlines the prospects of the Company 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 to answer questions on the Company.

The Company dispatches its notice of AGM to shareholders at least twenty one (21) days before the date of the meeting to enable shareholders to go through the annual report and papers supporting the resolutions proposed. Shareholders are invited to ask questions regarding the resolutions being proposed before putting a resolution to vote as well as matters relating to the Company's operations in general. All the resolutions set out in the Notice of the sixteenth (16) AGM were put to vote by show of hands and were duly passed. The outcome of the AGM was announced to Bursa on the same meeting day. Going forward, the Board may consider poll voting for substantive resolutions, being resolutions for which circulars have been issued to shareholders as well as disclosing detailed results showing the number of votes cast for and against each resolution.

Dialogue between the companies and investors

The Company ensures that it maintains an open communications policy with its shareholders, individuals and institutional members and welcomes feedback from them. Whenever deemed appropriate, the Board or the relevant management personnel will respond to these queries or opinions on an individual level.

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's 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 4414548
Website	: www.eupe.com.my

This Statement is issued in accordance with a resolution of the Board dated 25 July 2014.

ADDITIONAL COMPLIANCE INFORMATION

Status of utilisation of proceeds raised from any corporate proposal

This is not applicable for the financial year ended 28 February 2014.

Share buybacks

There was no share buyback scheme implemented during the financial year ended 28 February 2014.

Amount of options, warranties or convertible securities exercised in respect of the financial year

This is not applicable for the financial year ended 28 February 2014.

American Depository Receipt ("ADR") / Global Depository Receipt ("GDR")

The Group has not sponsored any ADR or GDR programme during the financial year ended 28 February 2014.

Sanctions and / or penalties

There were no sanctions and / or penalties imposed on the Company, its other subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 28 February 2014.

Variations in results

There were no variances of 10 per cent or more between the results for the financial year ended 28 February 2014 and unaudited results previously announced.

Non-audit fees

There were no non-audit fees paid to the external auditors during the financial year ended 28 February 2014.

Profit guarantees

There were no profit guarantees given by the Company during the financial year ended 28 February 2014.

Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries which involves directors' and major shareholders' interests during the financial year ended 28 February 2014.

Revaluation policy

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

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 pages 98 to 100.

DIRECTOR'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors ("the Board") of Eupe Corporation Berhad is committed to nurture and maintain a sound risk management framework and systems of internal control throughout its group of companies. The Board's Statement on Risk Management and Internal Control ("the Statement") featuring the Group's risk management framework and its state of internal control is outlined as follows. The Statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Recommendation 6.1 for Principle 6 of the Malaysian Code on Corporate Governance ("MCCG") 2012.

Board Responsibilities

The Board's key charter in balancing the business needs and strategic alignment of the Group is to review and approve the Group's system of risk management and internal control, to safeguard shareholders' investment and the Group's assets. In view of the limitations that are inherent in any system of risk management and internal control, this system is designed to manage rather than eliminate the risk of failure. The system of internal control covers, inter-alia, financial, organisational, operational and compliance controls and risk management procedures.

Following the publication of the Statement on Risk Management and Internal Control:Guidelines for Directors of Listed Issuers (the "Guidelines") in January 2013, 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 including mitigating measures taken by Management, to address areas of key risks as identified. 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 Guidelines.

Management is responsible for implementing the Board's framework, policies and procedures on risk and internal control. The Board has received assurance from the Managing Director and Chief Financial Officer that the Group risk management framework and internal control are operating adequately and effectively, in all material aspects, The Board is thus assured that the risk management and internal control system were in place during the financial year under review and up to the date of approval of this statement.

Enterprise Risk Management Framework

The Group has in place an Enterprise Risk Management framework which seeks to identify principal risks affecting or likely to affect EUPE and help to enable the implementation of appropriate and adequate systems to manage these risks on prioritised basis. Regular Management and Board meetings were conducted to discuss amongst others, the success and risk factors.

The Group's Enterprise Risk Management Framework ("Framework") serves to inform and provide guidance to Directors, senior management, functional line management and staff in managing risk in the Group. Towards this end, the framework sets out:

- The fundamentals and principles of risk and risk management that is to be applied in all situations and throughout all levels of the organisation;
- The process of identifying, assessing, responding, monitoring and reporting risks and controls;
- The roles and responsibilities of each level of management in the Group; and
- The mechanisms, tools and techniques for managing risk in the Group.

The risk management process is an ongoing process and is applied at the beginning of any major new project or change in operational environment.

Key Risk Management And Internal Control Processes

The Board exercises control through an organisation structure with clearly defined level of responsibility, authority and appropriate reporting procedures. Management comprised of the Executive Directors, is empowered by the Board and shall be responsible for identifying, evaluating, monitoring and managing significant risks affecting the achievement of business objectives of the Group. The process of identifying, evaluating, monitoring and managing risks is an ongoing process. All significant issues identified and affecting the business objectives of the Group are reported to the Board accordingly.

The key elements and processes of risk management and internal control system in place throughout the Group includes:-

- Establishment of a conducive control environment in respect to the overall attitude, awareness and actions of Directors and management regarding the internal control system and its importance to the Group;
- To monitor the recruitment of experienced, skilled and professional staff with the necessary calibre to fulfil the respective responsibilities and ensuring that minimum controls are put in place;
- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;
- Establishment of an effective segregation of duties via independent check, review and reconciliation activities to prevent human error, fraud and abuse; and
- Effective monitoring of significant variance deviation from standard operating procedures and budget.

Internal Audit Function

The group has outsourced its Internal Audit function to an independent professional Internal Audit service provider that reports to the Audit Committee. The group adopts a risk-based approach in identifying major operating unit areas that warrant internal audit review and assessment to be carried out. The Internal Auditor carry out reviews on areas which are identified by Management as risky and to assess the adequacy and effectiveness of the control processes to address the risks and recommend improvements to strengthen the control processes, where appropriate.

During the financial year under review, the Internal Audit function performed a cycle of internal audit on Property Management and Control environment review on Finance function. The findings from the audit were presented to the Audit Committee. The cost incurred for the outsourced internal audit function for the financial year ended 28 February 2014 amounted to RM43,000.00

The effectiveness of the system 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 annual independent surveillance by Lloyds Register Quality Assurance with the last surveillance being conducted in 28 April 2014 . 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.

DIRECTOR'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

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 Key Performance Indicators is undertaken by the management to identify, and where appropriate, to address significant variances;
- 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.

Review Of Statement By External Auditors

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 28 February 2014 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of risk management and internal controls.

Conclusion

Based on reviews of the effectiveness of the internal control and risk management frameworks, information and assurance provided to the Board, the Board is satisfied that the systems of internal control and risk management in place are adequate in safeguarding the shareholders' interests and assets of the Group. The Board also confirms that there is an effective ongoing process for identification, evaluation and management of significant risks in the Group and is committed to ongoing review of the internal control and risk management frameworks to meet the changing operating environment.

This statement is issued in accordance with a resolution of the Directors dated 25 July 2014.

AUDIT COMMITTEE REPORT

Composition
The present members of the Audit Committee comprise :

Chairman:	
Tan Hiang Joo	Independent Non-Executive Director
Members:	
Dato' Paduka Haji Ismail bin Haji Shafie	Independent Non-Executive Director
Dato' Paduka Haji Rasli bin Basir	Independent Non-Executive Director
Kek Jenny	Independent Non-Executive Director

Meetings
The Audit Committee convened four meetings during the financial year. Save for Kek Jenny and Dato' Paduka Haji Rasli bin Basir 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 Audit 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;
- Reviewed the Company's compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Accounting; and
- Standards Board and other relevant legal and regulatory requirements, particularly with regards to the quarterly and year end financial statements.

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 26-28 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 its governance, risk and control environment;
- Oversee the corporate accounting and financial reporting practices; and
- Evaluate the internal and external audit processes.

Membership

The Audit 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 not a member of the Malaysian Institute of Accountants, must have at least 3 years of working experience and:
    - must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967; or
    - must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; and
    - must fulfill such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

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

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above requirements, the vacancy shall be filled within 3 months.

Quorum and Committee's procedures

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

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

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

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

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

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

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

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

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

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

Authority and Rights

- The Audit 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 direct communication channels with the external and internal auditors;
- Be able to obtain independent professional or other advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary; and
- Be able to convene meetings with the external auditors, the internal auditors or both, without the presence of the other Directors and employees of the Company, whenever deemed necessary.

Internal Audit

The Company must establish an internal audit function which is independent of the activities it audits.

Company must ensure its internal audit function reports directly to the Committee.

Responsibilities and Duties

In fulfilling its primary objectives, the Audit 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 evaluation of the system of internal controls;
- 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;
- 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; and
- 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 nomination, appointment and performance (including objectivity and independence) of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board; including issues of suitability for re-appointment;
- 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;
- The non-audit services provided to the Company including the nature of non-audit services, fee levels (individually and in aggregate relative to the external audit fees) and the safeguards deployed to reduce or eliminate the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided; and
- The development of and review for recommendation to the Board, the Company's policy in relation to the provision of non-audit services by the external auditors, which amongst others takes into consideration :
  - the skills and experience of the firm;
  - the safeguards to eliminate or reduce any threat to objectivity or independence in the conduct of the audit resulting from non-audit services provided by the external auditor
  - the nature of the non-audit services and fee levels.

DIRECTORS' REPORT

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 28 February 2014.

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	14,095,900	(137,353)
Attributable to:		
Equity holders of the Company	13,628,286	(137,353)
Non-controlling interest	467,614	-
	14,095,900	(137,353)

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.

DIVIDEND

An interim dividend of RM0.02 per ordinary share, less tax at 25%, amounting to RM1,920,000 was paid on 23 August 2013 in respect of the financial year ended 28 February 2014.

The directors do not recommend any final dividend in respect of financial year ended 28 February 2014.

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.

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)
Datin Teoh Choon Boay
Tan Hiang Joo
Kek Jenny
Muhamad Faisal bin Tajudin
Dato' Paduka Haji Ismail bin Haji Shafie
Dato' Paduka Haji Rasli bin Basir (Appointed on 24 June 2013)
Dato' Jaafar bin Jamaludin (Resigned on 6 August 2013)

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 28 February 2014 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 1.3.2013	**Bought**	**Sold**	**At 28.2.2014**
Shares in the Company				
Direct interests				
Datin 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 Teoh Choon Boay	53,514,389	-	-	53,514,389
Muhamad Faisal bin Tajudin	31,008,392	-	(954,611)	30,053,781

By virtue of their interest in the ordinary shares of the Company, all the directors except Kek Jenny, Dato' Paduka Haji Ismail bin Haji Shafie and Dato' Paduka Haji Rasli bin Basir, 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 Statements of Financial Position and Statements of Profit or Loss and Other Comprehensive Income 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 allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance 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 inthe ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) From The End Of The Financial Year To The Date Of This Report

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

(i) which would render the amount written off for bad debts and the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial 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:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

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

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

(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.

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

Sungai Petani, Kedah Darul Aman

16 June 2014

STATEMENTS OF FINANCIAL POSITION

	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	74,810,387	75,286,090	5	5
Investments in subsidiaries	7	-	-	116,920,129	116,920,129
Investments in joint venture	8	2,594,746	1,109,812	-	-
Other investments	9	12,654	12,380	-	-
Land held for property development	10	151,885,648	144,989,813	-	-
Investment properties	11	31,220,851	32,225,986	-	-
Deferred plantation expenditure	12	3,704	121,482	-	-
Deferred tax assets	13	1,116,880	1,185,506	-	-
		261,644,870	254,931,069	116,920,134	116,920,134
Current assets					
Property development costs	14	50,057,926	72,580,368	-	-
Inventories	15	15,754,017	12,207,748	-	-
Trade and other receivables	16	67,797,475	48,797,094	4,500	4,500
Amount owing from subsidiaries	17	-	-	36,871,781	39,776,910
Sinking funds	18	239,181	210,857	-	-
Tax recoverable		865,372	413,115	278,450	278,450
Cash and cash equivalents	19	22,079,216	27,639,339	19,226	3,551
		156,793,187	161,848,521	37,173,957	40,063,411
TOTAL ASSETS		418,438,057	416,779,590	154,094,091	156,983,545
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	128,000,00	128,000,000	128,000,000	128,000,000
Reserves	21	144,996,388	133,864,496	20,943,697	23,590,651
		272,996,388	261,864,496	148,943,697	151,590,651
Non-controlling interest		5,089,075	8,021,159	-	-
TOTAL EQUITY		278,085,463	269,885,655	148,943,697	151,590,651

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
LIABILITIES					
Non-current liabilities					
Borrowings	22	28,390,603	40,107,949	-	-
Deferred tax liabilities	13	16,776,022	17,383,646	-	-
		45,166,625	57,491,595	-	-
Current liabilities					
Trade and other payables	28	60,690,870	68,219,398	57,500	57,000
Amount owing to subsidiaries	17	-	-	5,092,894	5,335,894
Provisions	30	3,777,189	6,123,139	-	-
Borrowings	22	29,328,776	12,977,113	-	-
Current tax payable		1,389,134	2,082,690	-	-
		95,185,969	89,402,340	5,150,394	5,392,894
TOTAL LIABILITIES		140,352,594	146,893,935	5,150,394	5,392,894
TOTAL EQUITY AND LIABILITIES		418,438,057	416,779,590	154,094,091	156,983,545

STATEMENTS OF PROFIT OR LOSS AND OTHER CONPREHENSIVE INCOME

	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
REVENUE	31	186,118,699	146,638,378	240,000	-
COST OF SALES	32	(152,841,602)	(107,767,553)	-	-
GROSS PROFIT		33,277,097	38,870,825	240,000	-
OTHER OPERATING INCOME		2,515,425	2,134,055	185,387	221,771
MARKETING AND DISTRIBUTION COSTS		(2,533,678)	(2,597,590)	-	-
ADMINISTRATIVE EXPENSES		(9,809,764)	(9,460,640)	(242,654)	(180,548)
OTHER OPERATING EXPENSES		(2,738,661)	(2,245,629)	(320,086)	(238,890)
FINANCE COSTS		(1,523,805)	(1,645,852)	-	-
SHARE OF RESULTS IN JOINT VENTURE		1,272,046	(51,345)	-	-
PROFIT/(LOSS) BEFORE TAX	33	20,458,660	25,003,824	(137,353)	(197,667)
TAX EXPENSE	34	(6,362,760)	(8,312,634)	-	-
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR		14,095,900	16,691,190	(137,353)	(197,667)
OTHER COMPREHENSIVE (EXPENSES)/INCOME					
- UNREALISED LOSS ON FOREIGN EXCHANGE DIFFERENCE		(589,601)	(184,978)	(589,601)	(184,978)
- FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION		13,207	443	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES)		13,519,506	16,506,655	(726,954)	(382,645)

STATEMENTS OF PROFIT OR LOSS AND OTHER CONPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014 (CONTINUED)

		GROUP		COMPANY	
		2014	**2013**	**2014**	**2013**
	Note	**RM**	**RM**	**RM**	**RM**
Profit/(Loss) attributable to:					
Equity holders of the Company		13,628,286	14,845,511	(137,353)	(197,667)
Non-controlling interest		467,614	1,845,679	-	-
		14,095,900	16,691,190	(137,353)	(197,667)
Total comprehensive income/ (expense) attributable to:					
Equity holders of the Company		13,051,892	14,660,976	(726,954)	(382,645)
Non-controlling interest		467,614	1,845,679	-	-
		13,519,506	16,506,655	(726,954)	(382,645)
Basic earnings per ordinary share attributable to equity holders of the Company (sen)	35	10.65	11.60		

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

STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to equity holders of the Company						
		Non-distributable			Distributable			
		Ordinary share capital	Share premium	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
GROUP		RM	RM	RM	RM	RM	RM	RM
Balance as at 1 March 2012		128,000,000	5,982,397	-	113,300,384	247,282,781	6,046,396	253,329,177
Dividends paid to non-controlling interest of a subsidiary company		-	-	-	(79,261)	(79,261)	-	(79,261)
Additional non-controlling interests arising on the acquisition of a subsidiary		-	-	-	-	-	3,000	3,000
Effects arising from changes in composition of the Group		-	-	-	-	-	126,084	126,084
Total comprehensive income for the financial year		-	-	443	14,660,533	14,660,976	1,845,679	16,506,655
Balance as at 28 February 2013/ 1 March 2013		128,000,000	5,982,397	443	127,881,656	261,864,496	8,021,159	269,885,655
Dividends paid		-	-	-	(1,920,000)	(1,920,000)	-	(1,920,000)
Dividend paid to non-controlling interest of a subsidiary		-	-	-	-	-	(3,400,000)	(3,400,000)
Effects arising from changes in composition of the Group		-	-	-	-	-	302	302
Total comprehensive income for the financial year		-	-	13,207	13,038,685	13,051,892	467,614	13,519,506
Balance as at 28 February 2014		128,000,000	5,982,397	13,650	139,000,341	272,996,388	5,089,075	278,085,463

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

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Non-distributable Ordinary share capital RM	Share premium RM	Distributable Retained earnings RM	Total RM
COMPANY				
Balance as at 1 March 2012	128,000,000	5,982,397	17,990,899	151,973,296
Total comprehensive expenses for the financial year	-	-	(382,645)	(382,645)
Balance as at 28 February 2013/1 March 2013	128,000,000	5,982,397	17,608,254	151,590,651
Dividend paid	-	-	(1,920,000)	(1,920,000)
Total comprehensive expense for the financial year	-	-	(726,954)	(726,954)
Balance as at 28 February 2014	128,000,000	5,982,397	14,961,300	148,943,697

The annexed notes form an integral part of t he financial statements.

STATEMENTS OF CASH FLOW

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	169,069,432	125,928,881	-	-
Cash payments to suppliers and creditors	(137,848,160)	(79,796,289)	-	-
Cash payments to employees and for expenses	(26,672,552)	(20,708,911)	(562,240)	(417,729)
Cash generated from/(used in) operations	4,548,720	25,423,681	(562,240)	(417,729)
Insurance claim received	110,072	-	-	-
Rental income received	451,856	404,012	-	-
Bank overdraft interest paid	(127,417)	(307,302)	-	-
Deposit received	(96,038)	374,605	-	-
Tax refund	270,351	778,578	-	121,486
Tax paid	(8,289,218)	(6,153,196)	-	-
Net cash (used in)/from operating activities	(3,131,674)	20,520,378	(562,240)	(296,243)
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances from joint venture partner	3,391,671	4,875,001	-	-
Advances to subsidiaries	-	-	2,257,915	211,000
Subsequent expenditure on investment properties	(244,626)	(1,000,000)	-	-
Deposit paid for acquisition of leasehold land	(4,541,400)	(36,274,437)	-	-
Deposit refund from cancellation of acquisition of leasehold land	3,735,270	-	-	-
Dividend received	-	2,929	240,000	-
Interest income received	1,117,880	858,084	-	-
Investment in joint venture	(149)	(352,550)	-	-
Investment in unit trust	(274)	153,063	-	-
Proceeds from disposal of property, plant and equipment	43,500	36,250	-	-
Purchase of property, plant and equipment*	(1,374,146)	(2,813,020)	-	-
Proceeds from disposal of investment properties	960,966	-	-	-
Purchase of investment properties	-	(2,391,826)		
Net placement of fixed deposits	(466,404)	(116,699)	-	-
Net cash from/ (used in) investing activities	2,622,288	(37,023,205)	2,497,915	211,000

STATEMENTS OF CASH FLOW
(CONTINUED)

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from directors	981	-	-	-
Discount paid on bankers' acceptances	(194,022)	(145,798)	-	-
Dividend paid	(1,920,000)	-	(1,920,000)	-
Dividend paid to non-controlling interest of a subsidiary company	(3,400,000)	(79,262)	-	-
Drawdown of term loan	-	29,385,860	-	-
Drawdown of revolving credit	9,600,000	12,700,000	-	-
Hire-purchase interest paid	(79,172)	(2,968)	-	-
Net creation of bankers' acceptances	1,351,000	(381,000)	-	-
Proceeds from issuance of ordinary shares to non-controlling interests of a subsidiary company	300	127,999	-	-
Repayments of term loan	(5,025,392)	(5,482,672)	-	-
Repayments of revolving credit	(3,700,000)	(14,200,000)	-	-
Repayments of hire-purchase	(241,209)	(22,420)	-	-
Revolving credit interest paid	(226,324)	(86,958)	-	-
Term loan interest paid	(2,274,898)	(1,956,308)	-	-
Net cash (used in)/ from financing activities	(6,108,736)	19,856,473	(1,920,000)	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,618,122)	3,353,646	15,675	(85,243)
EFFECT OF TRANSLATION DIFFERENCE	(28,627)	(1,261)	-	-
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	24,857,927	21,505,542	3,551	88,794
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 19)	18,211,178	24,857,927	19,226	3,551

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash	1,374,146	2,813,020	-	-
Hire purchase	2,029,700	54,000	-	-
	3,403,846	2,867,020	-	-

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

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 applicable approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act, 1965 in Malaysia 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.

The Group and the Company fall under the Transitioning Entities provision granted by the MASB because it is within the scope of IC 15 Agreements for the Construction of Real Estate and FRS 141 Agriculture. On 7 August 2013, MASB extended the transitional period for another year, thus the Group and the Company will adopt the MFRS Framework for annual period beginning on or after 1 January 2015.

The Group and the Company continued to prepare these financial statements for annual period beginning on 1 March 2013 in accordance with the FRSs issued by the MASB.

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*

(a) *Subsidiaries*

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The Group adopted FRS 10 Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, controls exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing controls when such rights are presently exercisable.

- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of FRS 10. The adoption of FRS 10 has no significant impact to the financial statements of the Group.

The Group's financial statements incorporate the results, cash flows, assets and liabilities of Eupe Corporation Berhad and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

The non-controlling interests in the net assets and net results of consolidated subsidiaries are shown separately in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income.

Total comprehensive income (i.e. profit or loss and each component of other comprehensive income) is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of consolidation (continued)

(a) Subsidiaries (continued)

Upon loss of control of a subsidiary, the Group's profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

Investment in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(b) Joint arrangements

A joint arrangement (i.e. either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the Group is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group adopted FRS 11 Joint Arrangements in the current financial year. As a result, joint arrangement are classified and accounted for as follows:

- In a joint operation, the parties with joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement. Therefore, the Group recognises its share of the operation's assets, liabilities, income and expenses that are combined line by line with similar items in the Group's financial statements.

- In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The Group's interests in joint ventures are recognised using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

In the previous financial years, joint arrangements were classified and accounted for as follows:

- For jointly controlled entities, the Group accounted for its interest using equity method

- For jointly controlled assets or jointly controlled operation, the Group and the Company accounted for each its share of the assets, liabilities, income and expenses, including its share of those held or incurred jointly with the other investors.

The change in accounting policy has been made retrospectively and in accordance with transitional provision of FRS 11. The adoption of FRS 11 has no significant impact to the financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of consolidation (continued)

(c) Translation of financial statements of foreign entities

The assets and liabilities of foreign operations are translated into RM using exchange rates at the reporting date. The components of shareholders' equity are stated at historical value.

Average exchange rates for the period are used to translate income and expense items of foreign operations. However, if exchange rates fluctuate significantly, the exchange rates at the dates of the transactions are used.

All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity.

Any goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and, as such, translated at the closing rate.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss. The cumulative amount of the exchange differences relating to that foreign operation that had been attributed to the non-controlling interests are derecognised, but without reclassification to profit or loss. The same applies in case of loss of control, joint control or significant influence.

On the partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of exchange differences accumulated in the separate component of equity are re-attributed to non-controlling interests (they are not recognised in profit or loss). For any other partial disposal of foreign entity (i.e. associates or jointly controlled entities without loss of significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(d) Business combinations

The Group applies the acquisition method to account for all acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by FRS 3 Business Combinations).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the to the former owners of the acquiree and the equity interests issued by the Group.

Acquisition-related costs (e.g. finder's fees, consulting fees, administrative costs, etc.) are recognised as expenses in the periods in which the costs are incurred and the services are received.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of the Group's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Basis of consolidation (continued)

(d) Business combinations (continued)

If, after appropriate reassessment, the amount as calculated above is negative, it is recognised immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by FRS.

The acquisition-date fair value of any contingent consideration is recognised as part of the consideration transferred by the Group in exchange for the acquiree. Changes in the fair value of contingent consideration that result from additional information obtained during the measurement period (maximum one year from the acquisition date) about facts and circumstances that existed at the acquisition date are adjusted retrospectively against goodwill. Changes resulting from events after the acquisition date are adjusted only when the contingent consideration is classified as an asset or a liability. The adjustment is recognised in profit or loss or other comprehensive income in accordance with the requirements for changes in assets or liabilities of the same nature.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. If any, changes in the value of the Group's equity interest in the acquiree that have been previously recognised in other comprehensive income are reclassified to profit or loss, if appropriate had that interest been disposed of directly.

3.3 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.

3. *SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

3.3 *Property, plant and equipment and depreciation (continued)*

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%
Leasehold land	1.85%
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.

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.

3.4 *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 an 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 and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property development activities

(a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Company had previously recorded the land at a revalued amount it continues to retain this amount as its surrogate cost as allowed by FRS 201$_{2004}$. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the property development costs incurred to date compared to the estimated total costs of the development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that are probable of recovery.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected foreseeable loss is recognised as an expense immediately.

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

Where revenue recognised in profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in profit or loss, the balance is shown as progress billings under trade and other payables (within current liabilities).

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.

3. *SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

3.6 *Construction contracts (continued)*

When the total costs incurred on construction contracts plus recognised profits (less 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*

(a) *Investment property carried at fair value*

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(b) *Reclassification to/from investment property*

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Leases and hire-purchase (continued)

(c) Leases of land and buildings (continued)

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 isregarded as the economic life of the entire leased asset.

Leasehold golf course and club building which has remaining lease period of 36 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Inventories

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.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdraft, deposits and other short-term highly liquid investments (with maturities of three months or less from the date of acquisition) that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows only, cash and cash equivalents include bank overdrafts repayable on demand. Since the characteristics of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn, they are considered an integral part of the Company's cash management.

3.13 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Interest bearing loans and borrowings (continued)

(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.

3.14 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.

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 profit or loss and other 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.

3.15 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. Changes in estimates are reflected in profit or loss in the period they arise.

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 reporting date 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.

3. *SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

3.15 Provisions (continued)

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.

3.16 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 position 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 is expensed immediately. The transactions are recorded at the trade date.

The Group and the Company recognised financial assets using settlement date accounting, thus an asset is recognised on the day it is received by the Group and the Company derecognised on the day that it is delivered by the Group and the Company.

(b) Subsequent measurement

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

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

Assets are classified in this category when they are held principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or meet the conditions for designation in this category at initial recognition.

Gains or losses arising on remeasurement of financial assets at FVTPL incorporate any dividend or interests earned and are recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that the Group and the Company intends to sell immediately or in the near term cannot be classified in this category. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility.

Typically trade and other receivables (excluding prepayments and non-refundable deposits) and cash and cash equivalents are classified in this category.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Financial instruments (continued)

A. Financial assets (continued)

(b) Subsequent measurement

(iii) Held-to-maturity financial assets

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition the Company designates as at fair value through profit or loss or available for-sale and those that meet the definition of loans and receivables cannot be classified in this category. Similar to Loan and Receivables, these assets are carried at amortised cost using the effective interest method minus any reduction for impairment or uncollectibility.

For the year ended on 28 February 2014 and 2013, the Group and the Company did not carry any financial asset classified in this category.

(iv) Available-for-sale (AFS) financial assets

These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. They are carried at their fair value. However, unquoted equity instruments are carried at cost, where it is not possible to reliably measure their fair value.

Except for impairment losses, foreign exchange gains and losses, and gains and losses of hedged items attributable to hedge risks of fair value hedges that are recognised in profit or loss, changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated in revaluation reserve, until the investment is disposed of or is determined to be impaired. At that time, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified from equity to profit or loss.

(c) Derecognition of financial assets

Irrespective of the legal form of the transactions, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 139. That test comprises two different types of evaluations which are applied strictly in sequence:

- Evaluation of the transfer of risks and rewards of ownership
- Evaluation of the transfer of control

Whether the assets are recognised/derecognised in full or recognised to he extent of Group's and the Company's continuing involvement depends on accurate analysis which is performed on a specific transaction basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Financial instruments (continued)

A. Financial assets (continued)

(d) Regular way purchases or sales

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(e) Impairment of financial assets

At the end of each reporting period, the Group and the Company assesses whether its financial assets (other than those at FVTPL) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected. Objective evidence of impairment could include significant financial difficulty of the counterparty, breach of contract, probability that the borrower will enter bankruptcy, of an active market for that financial asset because of financial difficulties, etc.

For AFS equity instruments, a significant or prolonged decline in the fair value of the investment below itsevidence of impairment.

In addition, for trade receivables that are assessed not to be impaired individually, the Group and the Company assesses them collectively for impairment, based on the Group's and the Company's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Financial instruments (continued)

A. Financial assets (continued)

(e) Impairment of financial assets (continued)

For AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss. In respect of AFS equity securities, an increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in revaluation reserve; impairment losses are not reversed through profit or loss.

B. Financial liabilities

(a) Initial recognition and measurement

A financial liability is recognised on the statement of financial positio 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 is 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 and Company's classification of the financial liabilities in one of the following two categories:

(i) Liabilities at fair value through profit or loss (FVTPL)

Liabilities are classified in this category when they are held principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or meet the conditions for designation in this category. All changes in fair value relating to liabilities at fair value through profit or loss are charge to profit or loss as they arise.

For the years that ended on 28 February 2014 and 2013, the Group and the Company did not classify any financial liabilities held for trading or designated as at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Financial instruments (continued)

B. Financial liabilities (continued)

(b) Subsequent measurement (continued)

(ii) Other financial liabilities

All liabilities which have not been classified in the previous category fall into this residual category.

These liabilities are carried at amortised cost using the effective interest method.

Typically, trade and other payables and borrowings are classified in this category.

Items classified within trade and other payables are not usually remeasured, as the obligation is known with a high degree of certainty and settlement is short term.

(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.

C. Financial guarantee contracts

A financial guarantee contracts is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

3.17 Revenue recognition

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

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

(a) Sale of completed properties

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 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 reporting 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)

3.17 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.

3.18 Employee benefits

(a) Short term employee benefits

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

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 and the Company'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 and the Company has no further payment obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Employee benefits (continued)

(c) Share-based payments

The Group and the Company operates an equity-settled share-based compensation plan, allowing the employees the Group and the Company 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 and the Company 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 profit or loss and other 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 areexercised, 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.

3.19 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Employee benefits (continued)

(b) Deferred tax (continued)

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.

3.19 Foreign currency

(a) 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 are the Group and the Company's functional and presentation currency.

(b) Foreign currency transactions

Foreign currency monetary assets and liabilities are translated into the functional currency of the concerned entity of the Group using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss (except when deferred in other comprehensive income as qualifying cash flow hedges).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Translation differences on non-monetary items that are measured at fair value in a foreign currency (e.g. available-for-sale equity instruments) are translated using the exchange rates at the date when the fair value is determined.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Foreign tax (continued)

(c) Operations denominated in functional currencies other than Ringgit Malaysia

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.

3.20 Foreign currency

(a) 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 are the Group and the Company's functional and presentation currency.

(b) Foreign currency transactions

Foreign currency monetary assets and liabilities are translated into the functional currency of the concerned entity of the Group using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss (except when deferred in other comprehensive income as qualifying cash flow hedges).

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Translation differences on non-monetary items that are measured at fair value in a foreign currency (e.g. available-for-sale equity instruments) are translated using the exchange rates at the date when the fair value is determined.

(c) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Foreign currency (continued)

(c) Operations denominated in functional currencies other than Ringgit (continued)

The income and expenses of foreign operations in hyperinflationary economies are translated to RM at the exchange rate at the end of the reporting period. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR in equity.

3.21 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.22 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 and the Company 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 and the Company does not recongise a contingent liability but discloses its existence in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Contingent liabilities and contingent assets (continued)

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 and the Company 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 and the Company 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 and the Company. The Group and the Company 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.

3.23 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.

3.24 air value measurement

From 1 March 2013, the Group and the Company adopted FRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of FRS 13, the Group and the Company applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the Group's and the Company's assets or liabilities other than the additional disclosures.

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS

1. FRSs, Amendments to FRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the FRS framework issued by the MASB are mandatory for the first time for the financial year beginning 1 January 2013, except for IC Interpretation 20 which is not applicable to the Group and the Company:

- FRS 10 Consolidated Financial Statements
- FRS 11 Joint Arrangements
- FRS 12 Disclosure of Interests in Other Entities
- FRS 13 Fair Value Measurement
- FRS 119 Employee Benefits (2011)
- FRS 127 Separate Financial Statements (2011)
- FRS 128 Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7 Financial Instruments: Disclosures -Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards-Government Loans
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards (Improvements to FRSs (2012))
- Amendments to FRS 101 Presentation of Financial Statements (Improvements to FRSs (2012))
- Amendments to FRS 116 Property, Plant and Equipment (Improvements to FRSs (2012))
- Amendments to FRS 132 Financial Instruments: Presentation (Improvements to FRSs (2012))
- Amendments to FRS 134 Interim Financial Reporting (Improvements to FRSs (2012))
- Amendments to FRS 10 Consolidated Financial Statements: Transition Guidance
- Amendments to FRS 11 Joint Arrangements: Transition Guidance
- Amendments to FRS 12 Disclosure of Interests in Other Entities: Transition Guidance
- Amendments to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvement 2009-2011 Cycle)

The adoption of the above mentioned accounting standards, amendments and interpretations are not expected to have any significant impact on the financial statements of the Group and the Company.

2. New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the MASB but have not been adopted by the Group and the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 10 Consolidated Financial Statements - Investment Entities
- Amendments to FRS 12 Disclosure of Interests in Other Entities - Investment Entities
- Amendments to FRS 127 Separate Financial Statements - Investment Entities
- Amendments to FRS 132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139 - Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

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

2. New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

The directors anticipate that the above mentioned accounting standards, interpretations and amendments will be adopted by the Group and the Company when they become effective.

FRSs, Amendments to FRSs and Interpretations effective for annual periods beginning on or after 1 July 2014

- Amendments to FRS 119 Employee Benefits – Defined Benefit Plans: Employee Contributions
- Amendments to FRS 2 Share-based Payment (Annual Improvements 2010 - 2012 Cycle)
- Amendments to FRS 3 Business Combinations (Annual Improvements 2010 - 2012 Cycle)
- Amendments to FRS 8 Operating Segments (Annual Improvements 2010 - 2012 Cycle)
- Amendments to FRS 13 Fair Value Measurement (Annual Improvements 2010 - 2012 Cycle)
- Amendments to FRS 116 Property, Plant and Equipment (Annual Improvements 2010 - 2012 Cycle)
- Amendments to FRS 124 Related Party Disclosure (Annual Improvements 2010 - 2012 Cycle)
- Amendments to FRS 138 Intangible Assets (Annual Improvements 2010 - 2012 Cycle)
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards (Annual Improvements 2011 - 2013 Cycle)
- Amendments to FRS 3 Business Combinations (Annual Improvements 2011 - 2013 Cycle)
- Amendments to FRS 13 Fair Value Measurement (Annual Improvements 2011 - 2013 Cycle)
- Amendments to FRS 140 Investment Property (Annual Improvements 2011 - 2013 Cycle)

FRSs, Amendments to FRSs and Interpretations effective for a date yet to be confirmed

- FRS 9 Financial Instruments (2009)
- FRS 9 Financial Instruments (2010)
- FRS 9 Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)

The Group and the Company have assessed, where practicable, the potential impact of all these accounting standards, amendments and interpretations that will be effective in future period, as below:

Amendments to FRS 10 Consolidated Financial Statements - Investment Entities, Amendments to FRS 12 Disclosure of Interests in Other Entities - Investment Entities and Amendments to FRS 127 Separate Financial Statements - Investment Entities

The amendments define "investment entities" and provide them an exemption from the consolidation of subsidiaries; instead, an investment entity is required to measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with FRS 9 / FRS 139 (the exception does not apply to subsidiaries that provide services relating to the investment entity's investment activities). An investment entity is required to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements, and additional disclosures are introduced. The amendments are effective for annual periods beginning on or after 1 January 2014, retrospectively with some transitional provisions. The directors do not anticipate any effect on the Group and the Company's financial statements as the parent company is not an investment entity.

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

2. New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

Amendments to FRS 132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

The amendments address inconsistencies in current practice when applying the offsetting criteria in FRS 132, mainly by clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. They are effective for annual periods beginning on or after 1 January 2014, with retrospective application. As the Group and the Company do not have offsetting arrangements in place, the directors do not anticipate any effect on its financial statements.

Amendments to FRS 136 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. They are effective for annual periods beginning on or after 1 January 2014.

Amendments to FRS 139 - Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting

The amendments permit the continuation of hedge accounting in a situation where the counterparty to a derivative designated as a hedging instrument is replaced by a new central counterparty (known as 'novation of derivatives'), as a consequence of laws or regulations, if specific conditions are met. They are effective for annual periods beginning on or after 1 January 2014. The directors do not anticipate any effect on the Group's and the Company's financial statements, in the absence of such transactions.

IC Interpretation 21 Levies

The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The obligating event for the recognition of a liability is the activity that triggers the payment of the levy in accordance with the relevant legislation. It also provides guidance on recognition of a liability to pay levies: the liability is recognised either progressively if the obligating event occurs over a period of time, or when the minimum threshold is reached if an obligation is triggered on reaching that minimum threshold. The interpretation is effective for annual periods beginning on or after 1 January 2014 and is not expected to impact the Group's and the Company's financial statements.

FRS 9 Financial Instruments (2009 and 2010)

This standard introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

FRS 9 requires all recognised financial assets that are within the scope of FRS 139 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting period.

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

2. New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

FRS 9 Financial Instruments (2009 and 2010) (continued)

The most significant effect of FRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under FRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in othercomprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is recognised in profit or loss.

The derecognition provisions are carried over almost unchanged from FRS 139.

FRS 9 is effective for a date yet to be confirmed, by which time it will include requirements and guidance on impairment and hedge accounting. The directors anticipate that FRS 9 will be adopted in the Group's and the Company's financial statements when it becomes mandatory and that the application of the new standard might have a significant impact on amounts reported in respect of the Group's and the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group and the Company have made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group and the Company periodically monitor such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(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 InvestmentProperty 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.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical judgements made in applying accounting policies (continued)

(i) Classification between investment properties and property, plant and equipment (continued)

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.

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) Recognition of revenue from construction contracts

The Group recognises construction contract revenue and expenses in the profit or loss using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Key sources of estimation uncertainty (continued)

(iv) 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 computationsfor which the ultimate tax determination may be different from the initial estimate.

The Group and the Company 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.

(v) 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.

(vi) 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

(vii) 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.

(viii) 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.

5. *SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)*

(b) Key sources of estimation uncertainty (continued)

(viii) Fair value of investment properties (continued)

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

2014	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 2013	24,145,777	40,000,000	20,326,953	8,713,941	2,567,347	90,104	10,964,471	16,453,325	123,261,918
Additions	-	-	108,255	352,571	795,644	644,076	1,144,213	359,087	3,403,846
Written off	-	-	-	(44,780)	(2,200)	-	(62,804)	(80,080)	(189,864)
Disposals	-	-	-	-	(744,945)	-	-	-	(744,945)
Reclassification	-	-	4,500	(4,500)	-	-	-	-	
At 28 February 2014	24,145,777	40,000,000	20,439,708	9,017,232	2,615,846	734,180	12,045,880	16,732,332	125,730,955
Accumulated depreciation									
At 1 March 2013	-	12,552,190	7,402,548	6,069,219	2,393,400	48,056	9,061,491	10,448,924	47,975,828
Charge for the financial year	-	740,741	681,152	494,293	99,110	62,110	609,319	1,164,242	3,850,967
Written off	-	-	-	(44,763)	(2,198)	-	(58,785)	(55,537)	(161,283)
Disposals	-	-	-	-	(744,944)	-	-	-	(744,944)
Reclassification	-	-	4,827	(520)	-	-	(7,380)	3,073	-
At 28 February 2014	-	13,292,931	8,088,527	6,518,229	1,745,368	110,166	9,604,645	11,560,702	50,920,568
Net carrying amount									
At 28 February 2014	24,145,777	26,707,069	12,351,181	2,499,003	870,478	624,014	2,441,235	5,171,630	74,810,387

GROUP									
Cost									
At 1 March 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
Additions	-	-	857	377,347	91,603	-	425,401	1,971,812	2,867,020
Written off	-	-	-	(5,509)	-	-	(20,683)	(24,138)	(50,330)
Disposals	-	-	-	-	-	-	(820)	(1,576,550)	(1,577,370)
Reclassification	(400,000)	-	395,500	-	606,000	(606,000)	53,110	(48,610)	-
At 28 February 2013	24,145,777	40,000,000	20,326,953	8,713,941	2,567,347	90,104	10,964,471	16,453,325	123,261,918

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2014	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
Accumulated depreciation									
At 1 March 2012	-	11,811,449	6,491,977	5,582,585	1,750,863	636,035	8,459,071	10,455,088	45,187,068
Charge for the financial year	-	740,741	910,571	490,653	36,537	18,021	568,686	1,145,225	3,910,434
Written off	-	-	-	(4,019)	-	-	(19,068)	(15,645)	(38,732)
Disposals	-	-	-	-	-	-	(308)	(1,082,634)	(1,082,942)
Reclassification	-	-	-	-	606,000	(606,000)	53,110	(53,110)	-
At 28 February 2013	-	12,552,190	7,402,548	6,069,219	2,393,400	48,056	9,061,491	10,448,924	47,975,828
Net carrying amount									
At 28 February 2013	24,145,777	27,447,810	12,924,405	2,644,722	173,947	42,048	1,902,980	6,004,401	75,286,090

	Furniture, fittings and equipment RM
COMPANY	
2014	
COST	
At 1 March 2013/28 February 2014	8,633
Accumulated depreciation	
At 1 March 2013/28 February 2014	8,628
Net carrying amount	
At 28 February 2014	5
2013	
COST	
At 1 March 2012/28 February 2013	8,633
Accumulated depreciation	
At 1 March 2012	8,429
Charge for the financial year	199
At 28 February 2013	8,628
Net carrying amount	
At 28 February 2013	5

Certain freehold land and buildings of the Group with net book value of RM22,216,056 (2013: RM22,381,812) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Note 23 and 25 to the financial statements.

7. *INVESTMENTS IN SUBSIDIARIES*

	COMPANY 2014 RM	COMPANY 2013 RM
Unquoted shares, at cost	116,920,129	116,920,129

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

Name of company	Group's effective interest 2014 %	Group's effective interest 2013 %	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*	70	70	Property development
Australasia Development Pte Ltd*	70	70	Property development
Eupe Development Sdn. Bhd.	60	60	Property development
Eupe Bangsar South Development (JV) Sdn. Bhd.*	50	50	Property development
Titian Sama Sdn. Bhd.	70	70	Dormant
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.*	70	100	Dormant

7. *INVESTMENTS IN SUBSIDIARIES (CONTINUED)*

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

During the financial year, the subsidiary Cinta Sayang Management Sdn. Bhd., ("CSM") issued additional 998 ordinary shares of RM1.00 each and is subscribed by its holding company, Eupe Golf Recreation & Tour Sdn. Bhd., (EGRT) and third parties. The issue of the additional ordinary shares has resulted in dilution of equity interest held by the Company from 100% to 70%. EGRT still maintains its control over CSM.

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: 2014

	Eupe Development Sdn. Bhd.	Eupe Bangsar South Development (JV) Sdn. Bhd.	Titian Sama Sdn.Bhd.	Other individually immaterial subsidiaries	Total
NCI percentage of ownership interest and voting interest	40%	50%	30%		
	RM	RM	RM	RM	RM
Carrying amount of NCI	4,783,494	79,341	(11,560)	237,800	5,089,075
Profit/(Loss) allocated to NCI	74,780	(24,103)	(13,093)	430,030	467,614

Summarised financial information before intra-group elimination:

As at 28 February			
Non-current assets	13,073,428	2,388,691	4,720
Current assets	6,483,73 4	41,571,093	10,030,873
Non-current liabilities	(1,879,09 6)	(16,666,667)	-
Current liabilities	(5,719,33 1)	(27,134,435)	(10,074,127)
Net assets	11,958,735	158,682	(38,534)
Revenue	13,092,139	42,000	-
Profit/(Loss) for the year	186,949	(48,207)	(43,642)
Total comprehensive income	186,949	(48,207)	(43,642)

7. *INVESTMENTS IN SUBSIDIARIES (CONTINUED)*

Non-controlling interests in subsidiaries (continued)

	Eupe Development Sdn. Bhd.	Eupe Bangsar South Development (JV) Sdn. Bhd.	Titian Sama Sdn.Bhd.	Other individually immaterial subsidiaries	Total
Net cash generated from/(used in):					
- operating activities	5,540,388	2,026,734	(1,154,695)		
- investing activities	1,590,407	(3,670,223)	(4,546,549)		
- financing activities	(10,224,100)	1,671,127	5,710,905		
Net (decrease)/increase in cash and cash equivalent	(3,093,305)	27,638	9,661		
Dividends paid to NCI	3,400,000	-	-		
2013					
NCI percentage of ownership interest and voting interest	40%	50%	30%		
	RM	RM	RM	RM	RM
Carrying amount of NCI	8,108,714	103,444	1,532	(192,531)	8,021,159
Profit/(Loss) allocated to NCI	1,841,003	(3,609)	(1,468)	9,753	1,845,679

Summarised financial information before intra-group elimination:

	Eupe Development Sdn. Bhd.	Eupe Bangsar South Development (JV) Sdn. Bhd.	Titian Sama Sdn.Bhd.
As at 28 February			
Non-current assets	23,134,429	39,728,714	-
Current assets	12,036,210	276,184	4,349,778
Non-current liabilities	(3,379,096)	(25,000,000)	-
Current liabilities	(11,519,757)	(14,798,009)	(4,344,670)
Net assets	20,271,786	206,889	5,108
Revenue	22,890,347	24,000	-
Profit/(Loss) for the year	4,602,507	(35,892)	(4,892)
Total comprehensive income	4,602,507	(35,892)	(4,892)
Net cash generated from/(used in):			
- operating activities	1,337,068	9,396,229	(3,914)
- investing activities	265,894	(14,728,714)	(4,349,214)
- financing activities	(1,419,369)	5,211,064	4,353,692
Net increase/(decrease) in cash and cash equivalent	183,593	(121,421)	564
Dividends paid to NCI	-	-	-

8. *INVESTMENT IN JOINT VENTURE*

	GROUP 2014 RM	GROUP 2013 RM
Unquoted shares, at cost	2,594,746	1,109,812

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

Name of company	Group's effective interest 2014 %	Group's effective interest 2013 %	Principal activities
* Clover Kilmore Pty Ltd	50	50	Property development
The Surrey Sunbury Pty Ltd	50	-	Property development

* The financial year of the jointly controlled entity has changed from 30 June 2013 to 28 February 2014.

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

	2014 RM	2013 RM
Assets and liabilities		
Current assets	2,868,021	1,759,676
Current liabilities	2,886,976	1,812,484
Results		
Revenue	3,286,405	-
Other Income	49,256	-
Expenses	(1,119)	(51,345)
Profit/(Loss) for the year	3,334,542	(51,345)

9. *OTHER INVESTMENTS*

	GROUP 2014 RM	GROUP 2013 RM
Quoted in Malaysia, at cost		
Investment in fixed income unit trusts	12,654	12,380
Market value of fixed income unit trusts	12,654	12,380

10. *LAND HELD FOR PROPERTY DEVELOPMENT*

	GROUP	
	2014 RM	**2013 RM**
Cost		
Balance as at 1 March	144,989,813	107,018,270
Additions during the financial year	10,773,175	40,814,891
Transferred from/(to) property development costs	7,247,871	(2,798,218)
Disposal during the financial year	(11,125,211)	(45,130)
Balance as at 28 February	151,885,648	144,989,813
Freehold land, at cost	109,475,548	101,783,827
Development cost	42,410,100	43,205,986
	151,885,648	144,989,813

Freehold land with cost of NIL (2013: RM14,963,250) is registered under a third party's name. The title of the land was 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 RM12,165,368 (2013: RM11,032,312) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Note 23.

11. *INVESTMENT PROPERTIES*

	GROUP	
	2014 RM	**2013 RM**
Balance as at 1 March	32,225,986	29,834,160
Additions during the financial year	-	2,391,826
Disposal during the financial year	(1,005,135)	-
Balance as at 28 February	31,220,851	32,225,986

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

The fair value of the investment properties was estimated by the management at RM31,220,851 (2013: RM32,225,986).

The investment properties with total carrying value of RM31,217,840 (2013: RM32,409,871) have been pledged to licensed bank for credit facilities granted to subsidiaries as disclosed in Notes 23, 24 and 26.

11. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

The Group's investment properties and fair value hierarchy as at 28 February 2014 are as follows:

	2014			
Group	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Commercial properties	-	-	18,438,691	18,438,691
Food court and plaza	-	-	5,869,342	5,869,342
Condominiums	-	6,912,818	-	6,912,818
	-	6,912,818	24,308,033	31,220,851

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the financial year

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

The following table shows a reconciliation of Level 3 fair values:

	GROUP 2014 RM
At 1 March 2013	24,308,033
Additions	-
Disposal	-
At 28 February 2014	24,308,033

11. *INVESTMENT PROPERTIES (CONTINUED)*

The following shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	**Significant unobservable inputs**
Investment method	Current occupancy rate and rental yield

12. *DEFERRED PLANTATION EXPENDITURE*

	GROUP	
	2014	**2013**
	RM	**RM**
Cost		
Balance as at 1 March/28 February	1,248,940	1,248,940
Amortisation		
Balance as at 1 March	(1,127,458)	(1,002,563)
Amortisation during the financial year	(117,778)	(124,895)
	(1,245,236)	(1,127,458)
Balance as at 28 February	3,704	121,482

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	
	2014	**2013**
	RM	**RM**
Deferred tax assets, net	(1,116,880)	(1,185,506)
Deferred tax liabilities, net	16,776,022	17,383,646
	15,659,142	16,198,140

13. *DEFERRED TAX (continued)*

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

	GROUP 2014 RM	GROUP 2013 RM
Balance as at 1 March	16,198,140	15,622,186
Recognised in profit or loss:-		
- crystalisation of deferred tax on revaluation surplus arise from subsidiaries' development properties	(319,849)	(210,453)
- shortfall of capital allowances over corresponding depreciation	(111,260)	(82,594)
- excess on revaluation of investment property in prior year	417,855	-
- unabsorbed agricultural allowance	-	(14,952)
- (unabsorbed)/utilisation capital allowances	(1,172,206)	866,400
- utilisation/(unabsorbed) tax losses	621,519	(36,929)
- other deductible temporary differences	24,943	54,482
	(538,998)	575,954
Balance as at 28 February	15,659,142	16,198,140

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

	GROUP 2014 RM	GROUP 2013 RM
Deferred tax assets		
Unabsorbed capital allowance	192,055	-
Unabsorbed agricultural allowance	55,954	31,665
Unabsorbed tax losses	438,519	100,611
Provisions	434,647	434,647
Other deductible temporary differences	720,056	837,056
Deferred tax assets (before offsetting)	1,841,231	1,403,979
Offsetting	(724,351)	(218,473)
Deferred tax assets (after offsetting)	1,116,880	1,185,506
Deferred tax liabilities		
Revaluation surplus arise from subsidiaries' development properties	8,445,328	8,775.102
Revaluation surplus arise from subsidiaries' investment properties	417,855	-
Deferred plantations expenditure	6,063	3,496
Excess of capital allowances over corresponding depreciation	8,631,127	8,823,521
Deferred tax liabilities (before offsetting)	17,500,373	17,602,119
Offsetting	(724,351)	(218,473)
Deferred tax liabilities (after offsetting)	16,776,022	17,383,646

13. DEFERRED TAX (continued)

	GROUP 2014 RM	GROUP 2013 RM
(c) Unrecognised deferred tax assets		
Unabsorbed agricultural allowance	64,327	164,327
Unabsorbed capital allowance	27,484	7,636
Unabsorbed tax losses	603,107	522,173
(Shortfall)/Excess of capital allowances over corresponding depreciation not recognised	(20,706)	(1,849)
	674,212	692,287

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.

14. PROPERTY DEVELOPMENT COSTS

	GROUP 2014 RM	COMPANY 2013 RM
Freehold land, at cost		
Balance as at 1 March	36,894,816	35,908,875
Addition	8,808,000	-
Transferred (to)/from land held for property development during the financial year (Note 10)	(10,631,264)	2,217,703
Completed development project	(8,176,464)	(1,231,762)
Balance as at 28 February	26,895,088	36,894,816
Development expenditure		
Balance as at 1 March	245,998,114	208,834,168
Incurred during the financial year	71,906,503	82,915,592
Transferred from land held for property development during the financial year (Note 10)	3,383,393	580,515
Completed development project	(111,748,156)	(46,332,161)
	209,539,854	245,998,114
	236,434,942	282,892,930

14. PROPERTY DEVELOPMENT COSTS

	GROUP 2014 RM	COMPANY 2013 RM
Accumulated costs charged to statement of profit or loss and other comprehensive income		
Balance as at 1 March	(210,312,562)	(183,104,107)
Cost charged to profit or loss for the financial year	(90,214,976)	(74,843,351)
Reversal of cost of completed development project	114,150,522	47,634,896
Balance as at 28 February	(186,377,016)	(210,312,562)
	50,057,926	72,580,368

Freehold land with cost of NIL (2013: RM6,445,560) 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.

Freehold land with carrying value of NIL (2013: RM6,445,560) as at 28 February 2014 was pledged to a licensed bank for term loan and credit facilities as disclosed in Note 23 and 24.

Included in development costs is rental of equipment capitalised during the financial year amounting to RM1,734,676 (2013: RM1,422,488).

15. INVENTORIES

	GROUP 2014 RM	COMPANY 2013 RM
At cost		
Completed properties	14,068,128	11,339,992
Building materials	1,404,168	580,055
Food and beverages	231,005	256,010
Playground materials	21,336	21,336
Spare parts and consumables	29,380	10,355
	15,754,017	12,207,748

16. TRADE AND OTHER RECEIVABLES

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Trade receivables				
Third parties	44,064,748	27,862,553	-	-
Accrued billings in respect of property development	143,973	1,522,170	-	-
Amount due from customers for contract work (Note 29)	2,498,109	1,116,706	-	-
Less: Impairment loss - third parties	(148,940)	(143,458)	-	-
	46,557,890	30,357,971	-	-
Other receivables, deposits and prepayments				
Amount owing from directors	-	1,058	-	-
Other receivables	8,477,701	7,850,824	-	-
Deposits	12,278,148	10,298,181	4,500	4,500
Prepayments	483,736	289,060	-	-
	21,239,585	18,439,123	4,500	4,500
	67,797,475	48,797,094	4,500	4,500

(a) The credit term of trade receivables granted by the Group is 21 days (2013: 21 days) from date of progress billings or range from 30 to 90 days (2013: 30 to 90 days) from date of invoice.

(b) The impairment loss of the Group is net of bad debts written off amounting to RM92,190 (2013: RM41,521).

(c) Information on financial risk of trade and other receivables are disclosed in Note 41 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 FUNDS

The sinking 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 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Fixed deposits with licensed banks	4,353,815	3,103,070	-	-
Cash and bank balances	17,725,401	24,536,269	19,226	3,551
As reported in the statement of financial positions	22,079,216	27,639,339	19,226	3,551
Less: Bank overdrafts (Note 22)	(2,160,609)	(1,540,389)	-	-
Fixed deposits pledged with licensed banks	(1,707,429)	(1,241,023)	-	-
As reported in cash flows statements	18,211,178	24,857,927	19,226	

19. CASH AND CASH EQUIVALENTS (CONTINUED)

(a) Included in the Group's cash and bank balances is an amount of RM11,747,047 (2013: RM18,083,970) 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 30 to 365 days (2013: 30 to 365 days).

(c) Included in fixed deposits with licensed banks of the Group is an amount of RM1,707,429 (2013: RM1,241,023) pledged to licensed banks for bank guarantee 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 2014 %	2013 %
Fixed deposits with licensed banks	2.81	2.81

(e) Information on repricing analysis of cash and cash equivalents are disclosed in Note 41.

20. SHARE CAPITAL

	GROUP/COMPANY 2014 RM	2013 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		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable:				
Share premium	5,982,397	5,982,397	5,982,397	5,982,397
Translation reserve	13,650	443	-	-
	5,996,047	5,982,840	5,982,397	5,982,397
Distributable:				
Retained earnings	139,000,341	127,881,656	14,961,300	17,608,254
	144,996,388	133,864,496	20,943,697	23,590,651

22. BORROWINGS

	Note	GROUP 2014 RM	GROUP 2013 RM
Current			
Secured			
Term loans	23	12,182,545	3,809,726
Revolving credits	24	9,600,000	3,700,000
Bank overdrafts	25	2,160,609	1,540,389
Bankers' acceptance	26	4,768,000	3,417,000
Hire-purchase liabilities	27	180,985	17,595
		28,892,139	12,484,710
Unsecured			
Term loans	23	200,000	474,399
Hire-purchase liabilities	27	236,637	18,004
		436,637	492,403
Total current portion		29,328,776	12,977,113
Non-current			
Secured			
Term loans		26,410,705	39,334,519
Hire-purchase liabilities	27	682,791	26,594
		27,093,496	39,361,113
Unsecured			
Term loans		516,667	716,667
Hire-purchase liabilities	27	780,440	30,169
		1,297,107	746,836
Total non-current portion		28,390,603	40,107,949
Total borrowings		57,719,379	53,085,062
Secured			
Term loans	23	38,593,250	43,144,245
Revolving credits	24	9,600,000	3,700,000
Bank overdrafts	25	2,160,609	1,540,389
Bankers' acceptance	26	4,768,000	3,417,000
Hire-purchase liabilities	27	863,776	44,189
		55,985,635	51,845,823
Unsecured			
Term loans	23	716,667	1,191,066
Hire-purchase liabilities	27	1,017,077	48,173
		1,733,744	1,239,239
Total borrowings		57,719,379	53,085,062

23. *TERM LOANS*

	GROUP 2014 RM	2013 RM
Secured		
Term loan IV repayable by 60 monthly instalments of RM120,228 each commencing April 2008	-	141,910
Term loan VI repayable by 96 monthly instalments of RM167,510 each commencing October 2011	4,910,600	6,495,567
Term loan VII repayable by 48 monthly instalments of RM125,000 each commencing June 2013	3,375,000	4,875,000
Term loan VIII repayable by 120 monthly instalments of RM58,333 each commencing September 2013	5,307,650	6,631,768
Term loan IX repayable by 36 monthly instalments of RM694,445 each commencing June 2014	25,000,000	25,000,000
	38,593,250	43,144,245

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 2014 RM	2013 RM
Not later than 1 year	12,382,545	4,284,125
1-2 years	12,541,830	4,015,138
2-3 years	10,983,022	12,506,094
3-4 years	854,223	10,946,153
4-5 years	771,746	9,148,434
More than 5 years	1,776,551	3,435,367
	39,309,917	44,335,311

The term loans bear interest at 4.54% to 8.35% (2013: 4.54% to 8.35%) per annum.

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

	GROUP 2014 %	2013 %
Term loans	6.60	6.64

Information on repricing analysis of term loans is disclosed in Note 41.

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	
	2014	**2013**
	%	**%**
Revolving credits	4.43	4.25

Information on repricing analysis of revolving credit is disclosed in Note 41 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 RM22,216,056 (2013: RM22,381,812) 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	
	2014	**2013**
	%	**%**
Bank overdrafts	8.10	8.10

Information on repricing analysis of bank overdrafts is disclosed in Note 41 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	
	2014	**2013**
	%	**%**
Bankers' acceptances	4.71	4.56

Information on repricing analysis of bankers' acceptances is disclosed in Note 41 to the financial statements.

27. HIRE-PURCHASE LIABILITIES

	GROUP	
	2014	**2013**
	RM	**RM**
Minimum hire-purchase instalments:-		
- not later than one year	519,994	39,648
- later than one year and not later than five years	1,616,396	61,129
	2,136,390	100,777
Less: Future interest charges	(255,537)	(8,415)
Present value of hire-purchase liabilities	1,880,853	92,362

27. *HIRE-PURCHASE LIABILITIES (CONTINUED)*

	GROUP	
	2014	**2013**
	RM	**RM**
Repayable as follows:		
Current liabilities		
- not later than one year	417,622	35,599
Non-current liabilities		
- later than one year and not later than five years	1,463,231	56,763
	1,880,853	92,362

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

	GROUP	
	2014	**2013**
	%	**%**
Hire purchase liabilities	3.61	3.19

Information on repricing analysis of hire-purchase liabilities is disclosed in Note 41.

28. *TRADE AND OTHER PAYABLES*

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Trade payables				
Third parties	16,077,991	15,491,991	-	-
Progress billings in respect of property development	29,139,209	37,037,070	-	-
Amount due to customers for contract work (Note 29)	-	15,463	-	-
	45,217,200	52,544,524	-	-
Other payables				
Amounts owing to directors	25,500	25,000	25,500	25,000
Other payables, deposits and accruals	14,051,148	14,182,728	32,000	32,000
Member deposits	1,397,022	1,467,146	-	-
	15,473,670	15,674,874	57,500	57,000
	60,690,870	68,219,398	57,500	57,000

(a) The credit terms available to the Group in respect of trade payables range from 30 to 90 days (2013:30 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.

28. TRADE AND OTHER PAYABLES (CONTINUED)

(c) Included in other payables of the Group is an amount of NIL (2013: RM1,133,186) 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 10 and 14. The amount owing to PKNK was unsecured and was settled during the financial year.

(d) Included in member deposits of the Group is a balance of RM1,000,500 (2013: RM1,066,500) for golf memberships which are transferable.

(e) Information on financial risk of trade and other payables is disclosed in Note 41 to the financial statements.

29. CONSTRUCTION CONTRACTS

	GROUP	
	2014 RM	2013 RM
Aggregate cost incurred to date	38,927,636	15,554,482
Accrued profit to date	3,085,221	225,496
	42,012,857	15,779,978
Less: Progress billings	(39,514,748)	(14,678,735)
	2,498,109	1,101,243
Represented by:		
Amount due from customers for contract work (Note 16)	2,498,109	1,116,706
Amount due to customers for contract work (Note 28)	-	(15,463)

30. PROVISIONS

GROUP	Infrastructure cost RM	Renovation cost RM	Building cost RM	Total RM
Balance as at 1 March 2012	1,738,588	2,479,216	-	4,217,804
Addition during the financial year	-	198,000	1,707,335	1,905,335
Balance as at 28 February/1 March 2013	1,738,588	2,677,216	1,707,335	6,123,139
Addition during the financial year	-	238,600	-	238,600
Utilisation during the financial year	-	(877,215)	(1,707,335)	(2,584,550)
Balance as at 28 February 2014	1,738,588	2,038,601	-	3,777,189

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 Residence Condominium which the Group is obliged to incur.

The provision for building costs were made in respect of Taman Ria Mesra project for additional claims requested by the sub-contractors.

31 REVENUE (CONTINUED)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Gross dividend income from subsidiaries	-	-	240,000	-
Revenue from property development	101,725,167	94,641,393	-	-
Revenue from construction contracts	36,289,521	8,445,341	-	-
Revenue from water theme park and resort operations	12,364,465	12,787,703	-	-
Sale of completed properties	581,864	2,666,966	-	-
Sale of building materials	27,907,321	23,391,696	-	-
Sale of goods	411,585	45,116	-	-
Sale of land held for property development	2,800,060	30	-	-
Rental income	1,695,124	1,650,746	-	-
Sports and recreation services	1,759,510	1,817,179	-	-
Subscription and entrance fees	565,787	750,180	-	-
Tuition fees	-	421,383	-	-
Sales of fruits and other supplies	18,295	20,645	-	-
	186,118,699	146,638,378	240,000	-

32. COST OF SALES

	GROUP	
	2014 RM	2013 RM
Building material sold	25,492,293	21,636,762
Property development cost	80,506,550	64,796,674
Completed properties	336,512	2,147,627
Construction contract cost	33,362,778	8,219,844
Land held for property development	1,098,338	-
Service rendered	10,632,672	10,052,144
Others	1,412,459	914,502
	152,841,602	107,767,553

33. PROFIT/(LOSS) BEFORE TAXATION

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Amortisation of deferred plantation expenditure	117,778	124,895	-	-
Auditors' remuneration:				
- current financial year	150,220	131,250	32,000	32,000
- under/(over)provision in prior financial year	16,870	(2,000)	-	2,000
Bad debts written off	7,274	44,984	-	-
Depreciation of property, plant and equipment	3,850,967	3,910,434	-	199

33. *PROFIT/(LOSS) BEFORE TAXATION (CONTINUED)*

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

	GROUP		COMPANY	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Directors' emoluments other than fees paid/ payable to:				
- executive directors of the Company	29,000	29,000	29,000	29,000
- non-executive directors of the Company	119,967	118,500	119,967	118,500
- executive directors of the subsidiary companies	1,483,877	1,628,206	-	-
Impairment loss on trade receivables	97,672	50,669	-	-
Interest expense on:				
- bankers acceptances	194,022	145,798	-	-
- bank overdraft	128,731	197,382	-	-
- hire purchase liabilities	73,367	3,857	-	-
- term loans	1,127,685	1,298,135	-	-
- others	-	700	-	-
Loss from disposal of property, plant and equipment	-	458,178	-	-
Preliminary expenses	-	2,436	-	-
Property, plant and equipment written off	28,581	11,598	-	-
Rental expense on:				
- premises	131,756	54,850	-	-
- equipment	46,860	38,583	-	-
And crediting:				
Gain from disposal of property, plant and equipment	43,499	-	-	-
Gain from disposal of investment properties	77,893	-	-	-
Gross dividend income from a subsidiary company	-	-	240,000	-
Insurance compensation received	110,072	68,576	-	-
Interest income	1,303,266	1,090,082	185,387	221,771
Rental income from				
- investment properties	1,671,686	2,054,458	-	-
- others	446,145	423,552	-	-

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to approximately RM881,508 (2013: RM572,917).

34. TAX EXPENSE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysian income tax:				
Current tax expense based on profit for the financial year	7,060,940	7,553,210	-	-
(Over)/Underprovision in prior financial years	(159,182)	183,470	-	-
	6,901,758	7,736,680	-	-
Deferred tax: (Note 13a)				
Relating to origination and reversal of temporary differences	(582,119)	133,822	-	-
Underprovision in prior financial years	43,121	442,132	-	-
	(538,998)	575,954	-	-
Total tax expense	6,362,760	8,312,634	-	-

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	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(Loss) before tax	20,458,660	25,003,824	(137,353)	(197,667)
Tax at Malaysian statutory tax rate of 25%	5,114,665	6,250,956	(34,338)	(49,417)
Tax effects in respect of:				
Crystalisation of deferred tax liabilities on revaluation surplus	(179,301)	(122,474)	-	-
Depreciation on non-qualifying property, plant and equipment	13,398	70,381	-	-
Deferred tax assets not recognised	112,109	76,841	-	-
Non-allowable expenses	1,093,078	1,302,127	140,685	104,860
Surplus on revaluation of investment property	417,855	-	-	-

34. TAX EXPENSE (CONTINUED)

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Unabsorbed agriculture allowance	-	9,391	-	-
(Unabsorbed)/Utilisation of deferred tax assets previously not recognised	(20,455)	156,000	-	-
Temporary differences not recognised	(17,203)	300	-	-
Income not subject to tax	(55,325)	(56,490)	(106,347)	(55,443)
	6,478,821	7,687,032	-	-
(Over)/Underprovision in prior financial years				
- income tax	(159,182)	183,470	-	-
- deferred tax	43,121	442,132	-	-
Tax expense	6,362,760	8,312,634	-	-

35. 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 2014 RM	GROUP 2013 RM
Profit attributable to ordinary equity holders of the Company (RM)	13,628,286	14,845,511
Number of ordinary shares in issue	128,000,000	128,000,000
Basic earnings per ordinary share (sen)	10.65	11.60

36. EMPLOYEE BENEFITS

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

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Operations				
- salaries and wages	5,044,270	4,227,422	-	-
- contributions to defined contribution plan	553,828	480,809	-	-
- other benefits	425,548	449,745	-	-
	6,023,646	5,157,976	-	-

36. EMPLOYEE BENEFITS (CONTINUED)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales, marketing and distribution				
- salaries and wages	734,285	487,968	-	-
- contributions to defined contribution plan	109,323	69,671	-	-
- other benefits	178,720	96,339	-	-
	1,022,328	653,978	-	-
Administration				
- salaries and wages	2,581,750	2,614,775	-	-
- contributions to defined contribution plan	304,790	285,273	-	-
- other benefits	398,502	449,901	-	-
	3,285,042	3,349,949	-	-
	10,331,016	9,161,903	-	-

37. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group or the Company 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 or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

(b) Significant related party transactions

Related parties of the Group and the Company 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 and the Company.

The Group and the Company 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.
- Sunrise Manner Sdn. Bhd.

37. *RELATED PARTY DISCLOSURES (CONTINUED)*

(b) *Significant related party transactions (continued)*

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

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Subsidiaries				
Gross dividend income	-	-	240,000	-
Interest income	-	-	185,387	221,771
A substantial shareholder*				
In respect of the acquisition of freehold land				
- interest charged for current financial year	-	24,334	-	-
- repayments during the financial year	1,125,006	865,120	-	-

	GROUP		COMPANY	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
An entity controlled by a close member of the family of a director				
Purchase of computer and software	-	2,200	-	-
Printing, stationery, repair and maintenance	21,736	60,855	-	-
Progress billing on work done	34,127,438	5,387,309	-	-
Rental	154,790	193,963	-	-
Road works	-	178,996	-	-
Sales of bird nest	35,527	42,069	-	-
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 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 remaining balance was fully paid and the transaction completed during the financial year.

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:

37. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of key management personnel (continued)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term employee benefits	1,436,588	1,562,430	148,967	147,500
Contributions to defined contribution plans	196,256	213,276	-	-
	1,632,844	1,775,706	148,967	147,500

38. CONTINGENT LIABILITIES - UNSECURED

	GROUP	
	2014 RM	2013 RM
Corporate guarantees for bank facilities granted to subsidiaries		
- amount utilised	44,267,975	41,633,500
Corporate guarantees to suppliers of a subsidiary company		
- amount utilised	1,438,952	602,895
Total facilities available to subsidiaries which are guaranteed by the Company	100,617,300	89,617,300

39. CAPITAL COMMITMENTS

As at the end of the financial period, the Group and the Company has the following capital commitments:-

	GROUP	
	2014 RM	2013 RM
Acquisition of leasehold lands		
Authorised but not contracted for	72,438,936	31,566,336

40. 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 base d 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.

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.

40. OPERATING SEGMENTS (CONTINUED)

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

Financial year ended 28 February 2014	Property development RM	Chalet and golf operation and management RM	Property construction RM	Others RM	Eliminations RM	Total RM
Revenue						
Revenue from						
external customer	105,280,782	14,689,762	64,023,151	2,125,004	-	186,118,699
Inter-segment revenue	8,808,000	-	64,573,696	828,842	(74,210,538)	-
Total revenue	114,088,782	14,689,762	128,596,847	2,953,846	(74,210,538)	186,118,699
Results						
Segment result	18,960,165	(1,729,941)	4,313,451	(864,476)	-	20,679,199
Interest income	860,740	193,766	36,063	212,697	-	1,303,266
Interest expense	(788,638)	(259,002)	(203,268)	(272,897)	-	(1,523,805)
Profit before tax						20,458,660
Tax expense						(6,362,760)
Profit for the financial year						14,095,900
At 28 February 2014						
Assets						
Segment assets	266,948,796	70,888,833	37,473,076	41,145,100	-	416,455,805
Tax assets	539,834	3,780	-	321,758	-	865,372
Deferred tax assets	1,079,632	-	-	37,248	-	1,116,880
Total assets	268,568,262	70,892,613	37,473,076	41,504,106	-	418,438,057
Liabilities						
Segment liabilities	42,375,515	3,731,786	15,908,642	2,452,116	-	64,468,059
Borrowings	33,661,709	3,831,455	14,855,667	5,370,548	-	57,719,379
Tax liabilities	453,654	146,390	764,708	24,382	-	1,389,134
Deferred tax liabilities	7,589,085	8,617,279	112,000	457,658	-	16,776,022
Total liabilities	84,079,963	16,326,910	31,641,017	8,304,704	-	140,352,594
Other information						
Capital expenditure	637,163	1,300,848	839,212	626,623	-	3,403,846
Depreciation of property, plant and equipment	151,373	3,325,787	130,021	243,786	-	3,850,967
Amortisation of deferred plantation expenditure	-	-	-	138,174	-	138,174

40. OPERATING SEGMENTS (CONTINUED)

Financial year ended 28 February 2013	**Property development**	**Chalet and golf operation and management**	**Property construction**	**Others**	**Eliminations**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Revenue						
Revenue from external customer	97,332,379	15,355,062	31,837,037	2,113,900	-	146,638,378
Inter-segment revenue	1,000,000	17,668	76,800,259	497,959	(78,315,886)	-
Total revenue	98,332,379	15,372,730	108,637,296	2,611,859	(78,315,886)	146,638,378
Results						
Segment result	24,428,166	(110,537)	1,494,927	(252,962)	-	25,559,594
Interest income	528,280	222,632	87,415	251,755	-	1,090,082
Interest expense	(898,590)	(292,958)	(162,376)	(291,928)	-	(1,645,852)
Profit before tax						25,003,824
Tax expense						(8,312,634)
Profit for the financial year						16,691,190
At 28 February 2013						
Assets						
Segment assets	288,641,829	69,488,901	15,073,822	41,976,417	-	415,180,969
Tax assets	35,146	79,095	-	298,874	-	413,115
Deferred tax assets	1,185,506	-	-	-	-	1,185,506
Total assets	289,862,481	69,567,996	15,073,822	42,275,291	-	416,779,590
Liabilities						
Segment liabilities	50,921,038	4,281,566	17,033,429	2,106,504	-	74,342,537
Borrowings	36,512,477	2,779,627	7,161,189	6,631,769	-	53,085,062
Tax liabilities	1,364,143	-	669,975	48,572	-	2,082,690
Deferred tax liabilities	7,918,858	9,379,232	42,000	43,556	-	17,383,646
Total liabilities	96,716,516	16,440,425	24,906,593	8,830,401	-	146,893,935
Other information						
Capital expenditure	99,819	2,286,289	10,299	470,613	-	2,867,020
Depreciation of property, plant and equipment	370,464	3,266,555	74,202	199,213	-	3,910,434
Amortisation of deferred plantation expenditure	-	-	-	124,895	-	124,895

41. 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 2014	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)	12,654	-	12,654
- trade and other receivables excluding pre-payments	-	67,313,739	67,313,739
- cash and cash equivalents	-	22,079,216	22,079,216
Total financial assets	12,654	89,392,955	89,405,609

	Other financial liabilities at amortised cost RM
Liabilities as per statement of financial position	
- borrowings excluding finance lease liabilities	55,838,526
- trade and other payables excluding statutory liabilities	60,690,870
	116,529,396

GROUP 2013	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)	12,380	-	12,380
- trade and other receivables excluding pre-payments	-	48,508,034	48,508,034
- cash and cash equivalents	-	27,639,339	27,639,339
Total financial assets	12,380	76,147,373	76,159,753

41. 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	52,992,700
- trade and other payables excluding statutory liabilities	68,219,398
	121,212,098

COMPANY	Loans and receivables at amortised cost 2014 RM	2013 RM
Assets as per statement of financial position:		
- trade and other receivables excluding prepayments (including intercompany balance)	36,876,281	39,781,410
- cash and cash equivalents	19,226	3,551
Total financial assets	36,895,507	39,784,961

	Other financial liabilities at amortised cost 2014 RM	2013 RM
Liabilities as per statement of financial position		
- trade and other payables excluding statutory liabilities	5,150,394	5,392,894

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:

41. FINANCIAL INSTRUMENTS (CONTINUED)

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

(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.

The table below summarises the maturity profile of the Group's liabilities at the reporting date based on contracted undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Total RM
28 February 2014			
Financial liabilities			
Trade and other payables	60,690,870	-	60,690,870
Borrowings	29,328,776	28,390,603	57,719,379
Total undiscounted financial liabilities	90,019,646	28,390,603	118,410,249
28 February 2013			
Financial liabilities			
Trade and other payables	68,219,398	-	68,219,398
Borrowings	12,977,113	40,107,949	53,085,062
Total undiscounted financial liabilities	81,196,511	40,107,949	121,304,460

(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 that are not denominated in their functional currencies are as follows:-

41. FINANCIAL INSTRUMENTS (CONTINUED)

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

	Net financial assets/ (liabilities) held in non-functional currencies Australian Dollar RM
Functional currencies	
At 28 February 2014	
Financial assets	
Investment in joint venture	2,594,746
Other receivables, deposits and prepayments	4,334,297
Tax recoverable	8,348
Cash and cash equivalents	2,298,270
	9,235,661
At 28 February 2013	
Financial assets	
Investment in joint venture	1,109,812
Other receivables, deposits and prepayments	6,436,797
Tax recoverable	35,146
Cash and cash equivalents	397,186
	7,978,941

(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.

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:

41. *FINANCIAL INSTRUMENTS (CONTINUED)*

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

Group	NOTE	WAEIR	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
2014 Fixed rates		%	RM	RM	RM	RM	RM	RM	RM
Fixed deposits with licensed banks	19	2.81	4,353,815	-	-	-	-	-	4,353,815
Bankers ' acceptances	26	4.71	4,768,000	-	-	-	-	-	4,768,000
Hire purchase liability	27	3.61	417,622	443,032	406,667	432,261	181,271	-	1,880,853
Floating rates									
Bank overdrafts	25	8.10	2,160,609	-	-	-	-	-	2,160,609
Revolvi ng credits	24	4.43	9,600,000	-	-	-	-	-	9,600,000
Term loans	23	6.60	12,382,545	12,541,830	10,983,022	854,223	771,746	1,776,551	39,309,917
2013 Fixed rates									
Fixed deposits with licensed banks	19	2.81	3,103,070	-	-	-	-	-	3,103,070
Bankers ' acceptances	26	4.56	3,417,000	-	-	-	-	-	3,417,000
Hire purchase liability	27	3.19	35,599	36,599	20,164	-	-	-	92,362
Floating rates									
Bank overdrafts	25	8.10	1,540,389	-	-	-	-	-	1,540,389
Revolving credits	24	4.25	3,700,000	-	-	-	-	-	3,700,000
Term loans	23	6.64	4,284,125	4,015,138	12,506,094	10,946,153	9,148,434	3,435,367	44,335,311

41. 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 minimised 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.

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.

41. FINANCIAL INSTRUMENTS (CONTINUED)

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

(IV) Credit risk (continued)

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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Neither past due nor impaired	14,535,495	10,450,620	-	-
Past due but not impaired:				
1 to 30 days past due	7,185,548	5,529,261	-	-
31 to 60 days past due	5,924,217	3,063,871	-	-
61 to 90 days past due	5,849,501	3,349,538	-	-
91 to 120 days past due	4,676,851	1,581,257	-	-
More than 120 days past due	5,744,196	3,744,548	-	-
	29,380,313	17,268,475	-	-
Impaired	148,940	143,458	-	-
	44,064,748	27,862,553	-	-

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

	GROUP	
	2014	2013
	RM	RM
At beginning of financial year	143,458	92,789
Charge during the financial year	97,672	50,669
Written off during the financial year	(92,190)	-
At end of financial year	148,940	143,458

41. *FINANCIAL INSTRUMENTS (CONTINUED)*

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

(IV) Credit risk (continued)

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 28 February 2014, trade receivables for the Group of RM29,380,313 (2013: RM17,268,475) 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.

(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 RM57,719,378 (2013: RM89,617,300) 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.

41. FINANCIAL INSTRUMENTS (CONTINUED)

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

(IV) Credit risk (continued)

(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 cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

41. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of financial instruments (continued)

GROUP

	Note	Fair value of financial instruments carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Fair value of financial instruments not carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2014											
Financial assets											
Quoted shares	9	12,654	-	-	12,654	-	-	-	-	12,654	12,654
		12,654	-	-	12,654	-	-	-	-	12,654	12,654
Financial liabilities											
Borrowings		-	-	-	-	-	-	(57,719,379)	(57,719,379)	(57,719,379)	(57,719,379)
		-	-	-	-	-	-	(57,719,379)	(57,719,379)	(57,719,379)	(57,719,379)

GROUP

	Note	Fair value of financial instruments carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Fair value of financial instruments not carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2013											
Financial assets											
Quoted shares	9	12,380	-	-	12,380	-	-	-	-	12,380	12,380
		12,380	-	-	12,380	-	-	-	-	12,380	12,380
Financial liabilities											
Borrowings		-	-	-	-	-	-	(52,992,700)	(52,992,700)	(52,992,700)	(52,992,700)
		-	-	-	-	-	-	(52,992,700)	(52,992,700)	(52,992,700)	(52,992,700)

41. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of financial instruments (continued)

COMPANY

	Note	Fair value of financial instruments carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Fair value of financial instruments not carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2014											
Financial assets											
Amount owing from subsidiaries		-	-	36,871,781	36,871,781	-	-	-	-	36,871,781	36,871,781
		-	-	36,871,781	36,871,781	-	-	-	-	36,871,781	36,871,781
Financial liabilities											
Amount owing to subsidiaries		-	-	(5,092,894)	(5,092,894)	-	-	-	-	(5,092,894)	(5,092,894)
		-	-	(5,092,894)	(5,092,894)	-	-	-	-	(5,092,894)	(5,092,894)

COMPANY

	Note	Fair value of financial instruments carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Fair value of financial instruments not carried at fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2013											
Financial assets											
Amount owing from subsidiaries		-	-	39,776,910	39,776,910	-	-	-	-	39,776,910	39,776,910
		-	-	39,776,910	39,776,910	-	-	-	-	39,776,910	39,776,910
Financial liabilities											
Amount owing to subsidiaries		-	-	(5,335,894)	(5,335,894)	-	-	-	-	(5,335,894)	(5,335,894)
		-	-	(5,335,894)	(5,335,894)	-	-	-	-	(5,335,894)	(5,335,894)

41. *FINANCIAL INSTRUMENTS (CONTINUED)*

(c) Fair value of financial instruments (continued)

Policy of transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2013: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Fair value which is determine for disclosure purposes, is calculated based on the present value of future principal and interest cash flow, discounted at the market rate of interest at the reporting period.

Interest rates used to determine fair value.

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2014	**2013**
Bank borrowings	4.43% - 8.10%	4.25% - 8.10%

41. *FINANCIAL INSTRUMENTS (CONTINUED)*

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

		GROUP	
	Note	**2014 RM**	**2013 RM**
Borrowings		57,719,379	53,085,062
Less: Cash and cash equivalents		(18,211,178)	(24,857,927)
Net debt		39,508,201	28,227,135
Total equity		278,085,463	269,885,655
Debt-to-equity ratio		0.14	0.10

42. *CARRYING AMOUNT OF MONIES HELD IN TRUST*

The total carrying amount of monies held in trust is as follows:

	2014 RM	**2013 RM**
Monies held in trust	672,107	670,254

The above monies are held by the trustee, Pacific Trustee Berhad.

43. *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 16 June 2014.

44. 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 28 February 2014 are as follows:

	GROUP 2014 RM	COMPANY 2013 RM
Total retained earnings of the Group and Company		
- Realised	155,590,199	14,961,300
- Unrealised	(16,589,858)	-
	139,000,341	14,961,300

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 Listin 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 33 to 136 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 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 28 February 2014 and of the financial results and the cash flows of the Group and of the Company for the financial year ended on that date.

In the opinion of the directors, the information set out in note 44 on page 117 to the financial statements has been complied in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listings Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

MUHAMAD FAISAL BIN TAJUDIN

DATO' BEH HUCK LEE
Sungai Petani, Kedah Darul Aman
16 June 2014

STATUTORY DECLARATION

I, **LEONG CHEW POON**, being the Deputy General Manager 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 33 to 136 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 Sungai Petani
in the State of Kedah on 16 June 2014

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 statements of financial position as at 28 February 2014 of the Group and of the Company, and the statements of profit or loss and other 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 33 to 136.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible 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 of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 28 February 2014 and of its financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, 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 set out in Note 44 on page 101 is 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.

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

Lou Hoe Yin
3120/04/16(J)
Chartered Accountant

Kuala Lumpur

16 June 2014

ANALYSIS OF SHAREHOLDINGS

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

ANALYSIS BY SIZE OF SHAREHOLDING AS AT 9 JULY 2014

Category By Sizes	No. of Holders		No. of Shares		Percentages	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less Than 100 Shares	9	1	312	51	0.0002	0.0000
100 To 1,000 Shares	2,047	3	2,020,371	3,000	1.5784	0.0023
1,001 To 10,000 Shares	1,959	17	9,324,300	75,800	7.2846	0.0592
10,001 To 100,000 Shares	582	7	18,004,300	231,000	14.0659	0.1805
100,001 To Less Than 5% Of Issued Shares	70	6	41,438,777	3,587,100	32.3740	2.8024
5% And Above Of Issued Shares	2		53,314,989		41.6523	0.0000
Subtotal	**4,669**	**34**	**124,103,049**	**3,896,951**	**96.9555**	**3.0445**
Grand Total (Malaysian + Foreign)	**4,703**		**128,000,000**		**100.0000**	

TOP 30 LARGEST SHAREHOLDERS AS AT 9 JULY 2014

	Shareholders	Account Qualifier (Beneficial Owner)	Shareholdings	%
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		4,395,900	3.43
4	AHMAD ZAKIUDDIN BIN HARUN		4,000,000	3.13
5	TEH AH YAU RUBBER FACTORY SDN BERHAD		3,742,729	2.92
6	HDM NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR BEH HUCK LEE (M01)	3,500,000	2.73
7	SUCCESS LEADS SDN BHD		2,781,794	2.17
8	FIRM ALLIANCE SDN BHD		2,622,538	2.05
9	THAM SAU KIEN		2,532,300	1.98
10	MAYBANK SECURITIES NOMINEES ASING) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR ONG HAR HONG	1,626,200	1.27
11	HDM NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR LIEW HOCK LAI (M01)	1,300,000	1.02
12	NG CHOR WENG		1,199,600	0.94
13	MERCSEC NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA	1,050,000	0.82

ANALYSIS OF SHAREHOLDINGS
(CONTINUED)

TOP 30 LARGEST SHAREHOLDERS AS AT 9 JULY 2014 (CONTINUED)

	Shareholders	Account Qualifier (Beneficial Owner)	Shareholdings	%
14	WONG HUNG NGIE		952,300	0.74
15	MUHAMAD ALOYSIUS HENG		779,000	0.61
16	YEO KHEE NAM		659,500	0.52
17	CHUAH CHEW HING		620,900	0.49
18	JF APEX NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	587,700	0.46
19	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR YU AH SING @YEO AH SING	570,000	0.45
20	SIM LIAN HING		569,000	0.44
21	YEO KHEE LIAN @ LUI PAO CHUEN		530,000	0.41
22	TAN HUNG CHEW SDN BHD		530,000	0.41
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR LEE YU LAN (8065570)	460,000	0.36
24	TEO KWEE HOCK		436,200	0.34
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT YEW TEK HOON (E-BMM)	422,500	0.33
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR NEO ENG HUI (8124240)	363,200	0.28
27	ONN KOK PUAY (WENG GUOPEI)		314,900	0.25
28	HDM NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR TOH CHUN HOK (M01)	308,000	0.24
29	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR NEO ENG HUI (8117181)	300,000	0.23
30	JF APEX NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK (MARGIN)	298,900	0.23
	TOTAL		**90,768,150**	**70.91**

ANALYSIS OF SHAREHOLDINGS
(CONTINUED)

LIST OF SUBTANTIAL SHAREHOLDERS AS AT 9 JULY 2014

Shareholders	Shareholdings	%
BEH HENG SEONG SDN.BHD.	23,261,208	18.1728
BETAJ HOLDINGS SDN BHD	30,053,781	23.4795

LIST OF DIRECTORS SHAREHOLDINGS AS AT 9 JULY 2014

		Direct Interest		Indirect Interest	
		Shareholdings	Percentage	Shareholdings	Percentage
1	Dato' Beh Huck Lee	3,500,000 (d)	2.7344	53,314,989 (a)	41.6523
2	Teoh Choon Boay	234,416.00	0.1831	53,549,405 (b)	40.18355
3	Tan Hiang Joo	10,000	0.0078	-	-
4	Muhamad Faisal Bin Tajudin	-	-	31,053,781 (c)	23.4795

Note:

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

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

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

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

LIST OF PROPERTIES HELD

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014

No.	Location	Tenure & Age	Land Area	Date of acquisition	Existing use	Net Book Value as at RM'000
	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.)	Jul-2010	Land held for commercial development	422
2.	P.T. 99393 & 99394, H.S.(M) 25191 & 25192 Bandar Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort Sungai Petani, Kedah [Vacant condominium site - For remaining 2 blocks]	Freehold	3.07 acres (133,882 sq. ft.: 12,438 sq. m.)	Feb-1996	Land held for residential development	3,607
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) 477/1989 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)	Mar-1996	Land held for residential development	3,150
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 commercial complex land -Behind MBB TRJ]	Freehold	3.35 acres (146,130 sq. ft.: 13.575 sq. m.)	Jul-2010	Land held for commercial development	4,951
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 lands-Beside circus land]	Freehold	2.19 acres (95,453 sq. ft.: 8,868 sq. m.)	Feb-1996	Land held for commercial development	2,543
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 - at circus land]	Freehold	3.18 acres (138,643 sq. ft: 12,880 sq. m.)	Mar-1996	Land held for commercial development	4,392
7.	P.T. 15778 to P.T. 15786 and P.T. 15788 to P.T. 15793 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah [15 vacant plots of detached land) - The Somerset]	Freehold	2.76 acres (120,315 sq. ft.: 11,170 sq. m.)	Mar-1996	Land held for residential development	6,035

No.	Location	Tenure & Age	Land Area	Date of acquisition	Existing use	Net Book Value as at
						R M'000
	EUPE KEMAJUAN SDN BHD					
8.	P.T. 71109 to P.T. 71126 H.S.(M) 2973 to H.S.(M) 2990 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah [14 vacant plots of industrial land and 2 vacant plots of TNB sub-station land next to Paya Nahu]	Freehold	7.48 acres (325,651 sq. ft.: 30,254 sq. m.)	Apr-1991	Land held for mixed development	1,845
9.	225 development lots within P.T. 69831 to P.T. 70776, P.T. 17 to P.T. 62 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Kelisa Ria, Sungai Petani [224 plots of land for mixed development]	Freehold	37.00 acres (1,611,799 sq. ft.: 149,741 sq. m.)	Mar-1996	Land held for mixed development	5,398
10.	P.T. 72202 to P.T. 72263, P.T. 72306 to P.T. 72385, P.T. 72402 to P.T. 72463, P.T. 72758 to P.T. 72805, P.T. 72808 to P.T. 72945, P.T. 72984, P.T. 72987, P.T. 72994 to P.T. 73045, P.T. 73124 to P.T. 73139,P.T. 73146 to P.T. 73147, P.T. 73166 to P.T. 73187, P.T. 73265 to P.T. 73266, P.T. 73304 to P.T. 73305, P.T. 73338 to P.T. 73529, P.T. 73557 to P.T. 73616 H.S.(D) 23071 to H.S.(D) 23132 , H.S.(D) 23175 to H.S.(D)23254, H.S.(D) 23271 to H.S.(D) 23332, H.S.(D) 23627 to H.S.(D) 23674, H.S.(D) 23677 to H.S.(D) 23814, H.S.(D) 23853 to H.S.(D) 23856, H.S.(D) 23863 to H.S.(D) 23914, H.S.(D) 23993 to H.S.(D) 24008, H.S.(D) 24015 to H.S.(D) 24016, H.S.(D) 24035 to H.S.(D) 24056, H.S.(D) 24134 to H.S.(D) 24135, H.S.(D) 24173 to H.S.(D) 24174, H.S.(D) 24207 to H.S.(D) 24398, H.S.(D) 24426 to H.S.(D) 24470 Mukim of Sungai Petani, District of Kuala Muda Located next to Taman Kelisa Ria and Aman Jaya [450 plots of land for mixed development - Future PS (32'SD) & Sri Iora]	Freehold	49.82 acres (2,170,198 sq. ft.: 201,618 sq. m.)	Sep-2001	Land held for mixed development	15,104
11.	P.T. 72264 to P.T. 72295, P.T. 72394 to P.T. 72401, P.T. 72484 to P.T. 72757, P.T. 72806 to P.T. 72807, P.T. 72950 to P.T. 72983, P.T. 72988 to P.T. 72993, P.T. 73046 to P.T. 73123, P.T. 73140 to P.T. 73145, P.T. 73148 to P.T. 73160, P.T. 73188 to P.T. 73264, P.T. 73267 to P.T. 73303, P.T. 73306 to P.T. 73337 H.S.(D) 23133 to H.S.(D) 23164, H.S.(D) 23263 to H.S.(D) 23270, H.S.(D) 23353 to H.S.(D) 23626, H.S.(D) 23675 to H.S.(D) 23676, H.S.(D) 23819 to H.S.(D) 23852, H.S.(D) 23857 to H.S.(D) 23862, H.S.(D) 23915 to H.S.(D) 23992, H.S.(D)24009 to H.S.(D) 24014, H.S.(D) 24017 to H.S.(D) 24029, H.S.(D) 24057 to H.S.(D) 24133, H.S.(D) 24136 to H.S.(D) 24172, H.S.(D) 24175 to H.S.(D) 24206, 204, 3630, 3631, 5503, 5504 and 5505 Mukim of Sungai Petani, District of Kuala Muda Located next to Taman Kelisa Ria and Aman Jaya [757 plots of land currently under development - Puncak Surya & Sri Iora]	Freehold	64.23 acres (2,797,626 sq. ft.: 259,908 sq. m.)	Sep-2001	Development in progress	12,405

LIST OF PROPERTIES HELD

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014 (CONTINUED)

No.	Location	Tenure & Age	Land Area	Date of acquisition	Existing use	Net Book Value as at R M'000
	EUPE KEMAJUAN SDN BHD					
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 83249, P.T. 83285 to 83287, P.T. 83385 to 83423, P.T. 83504, P.T. 83507 to 83509, P.T. 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, P.T. 92916 and P.T. 92921 to P.T. 92922 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) 95852, 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) 96112, H.S.(D) 96114 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, H.S.(D) 110446 and H.S.(D) 110451 to 110452 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.: 18,972 sq. m.)	Jun-2010	Land held for mixed development	10,656
13.	P.T. 5208 and P.T. 5210 H.S.(D) 120805 to H.S.(D) 121954, 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 - Parcel D & F - 577 plots of land currently under development]	Freehold	107.29 acres (4,673,668 sq. ft.: 434,198 sq. m.)	Mar-2008	Developement in progress	41,333
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.)	Mar-2003	Agriculture land	277
15.	P.T. 5209, P.T. 95045 to P.T. 95997 and P.T. 96026 H.S.(D) 27773 and H.S.(D) 27777 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Puteri Jaya [currently under development - Parcel E]	Freehold	37.05 acres (1,613,995 sq. ft.: 149,945 sq. m.)	Mar-2008	Developement in progress	1,110

LIST OF PROPERTIES HELD

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014 (CONTINUED)

No.	Location	Tenure & Age	Land Area	Date of acquisition	Existing use	Net Book Value as at
						R M'000
	EUPE KEMAJUAN SDN BHD					
16.	PT 93559 to PT 93645, PT 93811 to PT 93971, PT 94162 to PT 94341 & PT 94343, Seksyen 64 Bandar Sungai Petani, District of Kuala Muda Located next to Cinta Sayang Golf and Country Resort Persiaran Cinta Sayang, Sungai Petani, Kedah [2 parcels of vacant land for mix development - Resort Villa & shops]	Freehold	31.45 acres (1,369,783 sq. ft.: 127,257 sq. m.)	Oct-2010	Land held for mixed development	10,740
	MERA-LAND (MALAYSIA) SDN BHD					
17.	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.)	Mar-1996	Development in progress	13,742
	EUPE DEVELOPMENT SDN BHD					
18.	P.T. 94342, H.S.(D) 1113345, Bandar Sungai Petani, District of Kuala Muda Located next to Cinta Sayang Golf and Country Resort Persiaran Cinta Sayang, Sungai Petani, Kedah [1 plot of land currently under development - CSRH]	Freehold	0.13 acres (5,619 sq. ft.: 522 sq. m.)	Oct-2001	Development in progress	36
19.	P.T. 94344, P.T. 94345, P.T. 94347 to P.T. 94348, P.T. 94350 to P.T. 94351, P.T. 94353, P.T. 94355 & P.T. 94356 H.S.(D) 1113347, H.S.(D) 1113348, H.S.(D) 1113350 to H.S.(D) 1113351, H.S.(D) 1113354, H.S.(D) 1113356, H.S.(D) 1113357, H.S.(D) 1114415 & H.S.(D) 1114416 Bandar Sungai Petani, District of Kuala Muda Located next to Cinta Sayang Golf and Country Resort Persiaran Cinta Sayang, Sungai Petani, Kedah [The Carnival lands, commercial lands & golf lands etc]	Freehold	31.16 acres (1,357,329 sq. ft.: 126,100 sq. m.)	Oct-2010	Land held for mixed development	10,854
	ESTEEM GLORY SDN BHD					
20.	P.T. 15797 to P.T.15812 H.S.(D) 5318/1989 to H.S.(D) 5333/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah [17 vacant plots of detached land) - Hilltop]	Freehold	5.3007 acres (230,897 sq. ft.: 21,451 sq. m.)	Mar-1996	Land held for residential development	1,708

LIST OF PROPERTIES HELD

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014 (CONTINUED)

No.	Location	Tenure & Age	Land Area	Date of acquisition	Existing use	Net Book Value as at
						R M'000
	ESTEEM GLORY SDN BHD					
21.	P.T. 211 to P.T. 283, P.T. 308 to P.T. 316, P.T. 329 to 340, P.T. 1435 to P.T. 1461, P.T. 1476 to P.T. 1514 and P.T. 1516 to P.T. 1681 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) 1255/89 to H.S.(D) 1281/89, H.S.(D) 1296/89 to H.S.(D) 1334/89, H.S.(D) 1336/89 to H.S.(D) 1501/89 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]	Freehold	47.36 acres (2,063,006 sq. ft.: 191,660 sq. m.)	May-1996	Land held for mixed development	10,659
	EUPE BANGSAR SOUTH DEVELOPMENT (JV) SDN BHD					
22.	Lot 2491 and Lot 2504 [GRN 45341 and GRN 45342] Mukim & District of Kuala Lumpur Federal Territory of Kuala Lumpur. [2 plots of land for mixed development -Bangsar South]	Freehold	3.03 acres (131,801 sq. ft.: 12,245 sq. m.)	Feb-2012	Land held for mixed development	43,302
	EUPE HOMES (MM2H) SDN BHD					
23.	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.)	Mar-1996	Land held for residential development	63
	EUPE GOLF MANAGEMENT BERHAD					
24.	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 [Cinta Sayang Golf and Country Resort]	Leasehold for 60 years expiring 31/07/2051 25 years	190.88 acres (8,314,733 sq. ft.: 772,438 sq. m.)	Feb-2010	Golf and Country Resort	26,707
	EUPE GOLF RECREATION & TOUR SDN BHD					
25.	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 years 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]	Freehold	8.62 acres (375,487 sq. ft.: 34,897 sq. m.)	Sep-2006	Golf and Country Resort	22,216

LIST OF PROPERTIES HELD
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014 (CONTINUED)

No.	Location	Tenure & Age	Land Area	Date of acquisition	Existing use	Net Book Value as at R M'000
	EUPE REALTY SDN BHD					
26.	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]	Freehold	1.67 acres (72,642 sq. ft.: 6,748 sq. m.)	Feb-2010	Commercial building held for rental income	14,400
27.	P.T. 21646, H.S.(M) 1/94 Mukim of Sungai Petani, District of Kuala Muda Located along the eastern side of Jln Badlishah, within Taman Ria, Sungai Petani, Kedah [Vacant plot of freehold commercial land - Wisma Jaya]	Freehold	1.08 acres (47,207 sq. ft.: 4,386 sq. m.)	Feb-2010	Land held for commercial development	1,650
28.	GM 13959/M1/2/5 to GM 13959/M1/2/7, GM 13959/M1/2/9 to GM 13959/M1/3-6, GM 13959/M1/4/20, GM 13959/M1/4/22, GM 13959/M1/5/26, GM 13959/M1/6/31, GM 13959/M1/8/43, GM 13959/M1/9/47, GM 13959/M1/11/59 LOT 600002, Section 63, Bandar Sungai Petani, Daerah Kuala Muda, Kedah. Located within Cinta Sayang Golf and Country Resort Sungai Petani, Kedah [18 units of Sky Res - Block A]	Freehold	-	Jun-2011	Apartments held for rental income	6,913
	PASAR TAMAN RIA SDN BHD					
29.	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]	Freehold	0.70 acres (30,574 sq. ft.: 2,840 sq. m.)	Feb-2010	Commercial lots held for rental income	3,243
	RIA PLAZA SDN BHD					
30.	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]	Freehold	0.37 acres (16,307 sq. ft.: 1,515 sq. m.)	Feb-2009	Commercial lots held for rental income	1,377
	RIA FOOD CENTRE SDN BHD					
31.	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]	Freehold	0.34 acres (14,995 sq. ft.: 1,393 sq. m.)	Sep-2010	Commercial lots held for rental income	1,249

LIST OF PROPERTIES HELD
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2014 (CONTINUED)

No.	Location	Tenure & Age	Land Area	Date of acquisition	Existing use	Net Book Value as at
						R M'000
EUPE HOTEL SDN BHD						
32.	P.T. 09297, H.S.(M) 3632/1986 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.)	Feb-1996	Land held for hotel development	4,051
MILLENNIUM PACE SDN BHD						
33.	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 Farm]	Freehold	47.86 acres (2,084,782 sq. ft.: 193,683 sq. m.)	May-2002	Agriculture land	3,669

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of EUPE CORPORATION BERHAD will be held at Rajawali Room, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on Thursday 28 August 2014 at 10.00 a.m. for the following purposes:-

AGENDA

1 To receive and adopt the Audited Financial Statements for the year ended 28 February 2014 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 Datin Teoh Choon Boay **Resolution 1**
2.2 Dato' Paduka Haji Ismail Bin Haji Shafie **Resolution 2**

3 To re-elect the following director who retire pursuant to Article 88 of the Company's Articles of Association: Dato' Paduka Haji Rasli Bin Basir **Resolution 3**

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 4**

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

4.1 Authority to issue and allot shares **Resolution 5**

"**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 Renewal of Authority to purchase its own shares by the Company. **Resolution 6**

"**THAT**, subject always to the Companies Act 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad and the approvals of all 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")

(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;

4.2 Proposed Renewal of Authority to purchase its own shares by the Company. (continued)

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."

4.3 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate Renewal") **Resolution 7**

"**THAT** approval be and is hereby given for the renewal of the Existing Shareholders'Mandate for the Company and its subsidiaries ("Eupe Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day to day operations of the Eupe Group from time to time, the nature and thze contracting parties are set out in a table under Section 2.3 of the Circular to Shareholders dated 4 August 2014 PROVIDED THAT the transactions are in ordinary course of business on an arms' length basis, on normal commercial terms and on terms not more favorable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:

(a) the conclusion of next Annual General Meeting of the Company following this Eighteenth Annual General Meeting, at which time it will lapse, unless by a resolution passed at the said next Annual General Meeting, the authority is renewed;

(b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143(1) of t he Companies Act 1965 ("the Act") but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or

(c) revoke or varied by a resolution passed by the shareholders in a general meeting, whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary in the best interest of the Company to give effect to the transactions in relation to the Proposed Shareholders' Mandate Renewal.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

4.4 To consider and if thought fit, to pass the following resolution in accordance with the Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 **Resolution 8**

"**THAT** Mr. Tan Hiang Joo who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 19 May 1997 be and is hereby retained as an Independent Non-Executive Director."

4.5 To consider and if thought fit, to pass the following resolution in accordance with the Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 **Resolution 9**

"**THAT** Ms Kek Jenny who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 28 March 2002 be and is hereby retained as an Independent Non-Executive Director."

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]
Company Secretary

Sungai Petani,
Kedah Darul Aman
Date: 4 August 2014

Explanatory Notes to Special Business:-

(1) Authority to issue and allot shares (Resolution 5)

Your Board would like to act expeditiously on opportunities to expand your Groupûs business, if and when they arise. The proposed resolution No.5, if passed, is to authorise the Directors to issue up to 10% of the paid-up capital of the Company 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 28 August 2013.

(2) Proposed renewal of authority for the Company to purchase its own shares (Resolution 6)

The purchase the Companyûs 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 28 August 2013. Further information on the Proposed renewal of authority for the Share Buy-Back is set out in the Statement to shareholders dated 4 August 2014 which is despatched together with the Company's 2014 Annual Report.

(3) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 7)

For further information on proposed resolution No. 7, please refer to Circular To Shareholders dated 4 August 2014 accompanying the Company's 2014 Annual Report.

(4) To retain the designation of Mr. Tan Hiang Joo as Independent Non-Executive Director of the Company in accordance with the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 (Resolution 8)

Mr. Tan Hiang Joo has served the Board as an Independent Non-Executive Director of the Company for more than nine years since 19 May 1997. The Board recommends retaining his designation as Independent Non-Executive Director of the Company based on the following reasons:-

- He fulfills the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa and therefore, is able to bring independent and objective judgment to the Board;
- His experience in the legal and property sector enable him to provide the Board and Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- He has been with the Company long and therefore understands the Company's business operations which enable him to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings, as the case may be.

(5) To retain the designation of Ms. Kek Jenny as Independent Non-Executive Director of the Company in accordance with the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 (Resolution 9)

Ms. Kek Jenny has served the Board as an Independent Non-Executive Director of the Company for more than nine years since 28 March 2002. The Board recommends retaining her designation as Independent Non-Executive Director of the Company based on the following reasons:-

- She fulfills the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa and therefore, is able to bring independent and objective judgment to the Board;
- Her experience in the audit, financial due diligence and corporate advisory enable her to provide the Board and Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- She has been with the Company long and therefore understands the Companyûs business operations which enable her to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings, as the case may be.

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 22 August 2014 (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 in respect of each securities account it holds which is credited with ordinary shares of the Company.

(5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

STATEMENT ACCOMPANYING

Notice Of Eighteenth 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
   Datin Teoh Choon Boay
   Dato' Paduka Haji Ismail Bin Haji Shafie

   Article 88
   Dato' Paduka Haji Rasli Bin Basir

   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 10 to 13 of the Annual Report 2014. The Directors' shareholdings in the Company are set out in the Analysis of Shareholdings which appear on page 121 of the Annual Report 2014

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
Datin Teoh Choon Boay	4/4
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
Dato' Paduka Haji Rasli Bin Basir (appointed on 24.6.2013)	3/3
Dato' Jaafar bin Jamaludin	1/2 (resigned on 6.8.2013)

3. Eighteenth Annual General Meeting of Eupe Corporation Berhad

   Place : Rajawali Room, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman
   Date & Time : 28 August 2014 at 10.00 a.m.

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 Seventeenth Annual General Meeting of the Company to be held at Rajawali Room, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on Thursday, 28 August 2014 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, Datin Teo Choon Boey pursuant to Article 82 of the Company's Articles of Association	Resolution 1		
2.	To re-elect the retiring Director, Dato' Paduka Haji Shafie pursuant to Article 82 of the Company's Articles of Association	Resolution 2		
3.	To re-elect the retiring Director, Dato' Paduka Haji Rasli Bin Basir in pursuant to Article 88 of the Articles of Association	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		
6.	Special Business: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolution)	Resolution 6		
7.	Special Business: Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Ordinary Resolution)	Resolution 7		
8.	To retain Mr. Tan Hiang Joo as an Independent Non-Executive Director (Ordinary Resolution)	Resolution 8		
9.	To retain Ms Kek Jenny as an Independent Non-Executive Director (Ordinary Resolution)	Resolution 9		

(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 2014

....

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 22 August 2014 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.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

Affix
Stamp

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

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