

**KUMPULAN EUROPLUS BERHAD (534368-A)**

**Interim financial report for the third quarter ended 31 October 2008**

(The figures have not been audited)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER  31/10/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER  31/10/2007 RM'000	CURRENT YEAR TO-DATE  31/10/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD  31/10/2007 RM'000
Revenue	7,732	6,709	35,581	17,395
Cost of sales	(6,408)	(3,957)	(31,924)	(13,843)
Gross profit	1,324	2,752	3,657	3,552
Other operating income	5,497	(92)	11,894	4,441
Operating expenses	(3,111)	(5,593)	(11,057)	(27,015)
Finance cost	(4,938)	(4,442)	(14,154)	(10,060)
Share of results of associates	2,789	7,721	17,039	8,652
<b>Profit/(loss) before tax</b>	1,561	346	7,379	(20,430)
Income tax expenses	(34)	(245)	(34)	(362)
<b>Profit/(loss) for the period</b>	1,527	101	7,345	(20,792)
<b>Attributable to:</b>				
Equity holders of the Company	1,654	474	7,412	(20,274)
Minority interest	(127)	(373)	(67)	(518)
	1,527	101	7,345	(20,792)
	-	-	-	-
<b>Earnings/(loss) per share attributable to equity holders of the Company :</b>				
- Basic (sen)	0.3	0.1	1.6	(4.3)
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial report.

**KUMPULAN EUROPLUS BERHAD (534368-A)****Interim financial report for the third quarter ended 31 October 2008**

(The figures have not been audited)

**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>UNAUDITED AS AT CURRENT QUARTER ENDED 31/10/2008 RM '000</b>	<b>AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31/1/2008 RM '000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	17,665	17,919
Leasehold land	19,700	19,607
Infrastructure development expenditure	60,827	54,006
Investment in associates	159,382	149,808
Goodwill on consolidation	10,016	10,374
<b>Total Non-Current Assets</b>	<b>267,590</b>	<b>251,714</b>
<b>Current Assets</b>		
Inventories	2,378	3,072
Trade receivables	89,905	95,577
Other receivables and prepaid expenses	110,683	109,114
Cash and bank balances	5,751	6,071
<b>Total Current Assets</b>	<b>208,717</b>	<b>213,834</b>
<b>TOTAL ASSETS</b>	<b>476,307</b>	<b>465,548</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	473,692	473,692
Reserves	(354,966)	(354,913)
Equity attributable to equity holders of the Company	118,726	118,779
Minority Interest	9,869	9,812
<b>Total Equity</b>	<b>128,595</b>	<b>128,591</b>
<b>Non-Current Liabilities</b>		
Hire purchase payables	265	68
Bank borrowings	30,553	30,553
Deferred tax liabilities	318	291
<b>Total Non-Current Liabilities</b>	<b>31,136</b>	<b>30,912</b>
<b>Current Liabilities</b>		
Trade payables	29,570	32,629
Other payables and accrued expenses	53,393	38,580
Hire purchase payables	21	23
Bank borrowings	231,803	232,750
Tax liabilities	1,789	2,063
<b>Total Current Liabilities</b>	<b>316,576</b>	<b>306,045</b>
<b>TOTAL LIABILITIES</b>	<b>347,712</b>	<b>336,957</b>
<b>EQUITY AND LIABILITIES</b>	<b>476,307</b>	<b>465,548</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.2506	0.2508

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial report.

**KUMPULAN EUROPLUS BERHAD (534368-A)****Interim financial report for the third quarter ended 31 October 2008**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share Capital RM'000	Non-Distributable Reserves		Accumulated Loss RM'000	Attributable to Equity Holders of the Company RM'000	Minority Interest RM'000	Total Equity RM'000
		Share Premium RM'000	Other Reserve RM'000				
<b>9 months ended 31 October 2008</b>							
Balance as at 1 February 2008	473,692	26,560	-	(381,473)	118,779	9,812	128,591
Share of associates reserve	-	-	(7,465)	-	(7,465)	-	(7,465)
Partial disposal of shares in a subsidiary	-	-	-	-	-	124	124
Profit for the year	-	-	-	7,412	7,412	(67)	7,345
Balance as at 31 October 2008	<u>473,692</u>	<u>26,560</u>	<u>(7,465)</u>	<u>(374,061)</u>	<u>118,726</u>	<u>9,869</u>	<u>128,595</u>
<b>9 months ended 31 October 2007</b>							
Balance as at 1 February 2007	473,692	26,560	-	(356,650)	143,602	9,712	153,314
Share of associates reserve	-	-	258	-	258	-	258
Loss for the year	-	-	-	(20,274)	(20,274)	(518)	(20,792)
Balance as at 31 October 2007	<u>473,692</u>	<u>26,560</u>	<u>258</u>	<u>(376,924)</u>	<u>123,586</u>	<u>9,194</u>	<u>132,780</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial report.

**KUMPULAN EUROPLUS BERHAD (534368-A)****Interim financial report for the third quarter ended 31 October 2008**

(The figures have not been audited)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>9 months ended 31/10/2008 RM'000</b>	<b>9 months ended 31/10/2007 RM'000</b>
Net cash used in operating activities	(1,074)	(72,274)
Net cash (used in)/from investing activities	(1,233)	1,103
Net cash flows from financing activities	3,395	71,187
Net increase in cash and cash equivalents	<u>1,088</u>	<u>16</u>
Cash and cash equivalents at beginning of financial year	(14,799)	(17,005)
Cash and cash equivalents at end of financial period	<u><u>(13,711)</u></u>	<u><u>(16,989)</u></u>

**Note :**

Cash and cash equivalents at the end of the financial period comprise of :

Cash and bank balances	713	3,046
Fixed deposits	5,038	3,201
Bank overdrafts	<u>(14,424)</u>	<u>(20,035)</u>
	(8,673)	(13,788)
Less: Fixed deposits pledged to banks	<u>(5,038)</u>	<u>(3,201)</u>
	<u><u>(13,711)</u></u>	<u><u>(16,989)</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial report.

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the third quarter ended 31 October 2008**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENT**

**PART A – Explanatory Notes Pursuant to FRS 134**

**A1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited annual financial statements.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 January 2008.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 January 2008.

**A3. Seasonality or Cyclicity of Operations**

The business operations of the Group are not affected by any material seasonal or cyclical factors.

**A4. Unusual Items**

There were no unusual items that have material effects on the assets, liabilities, equity, net income, or cash flows for the current quarter and financial year.

**A5. Material Changes in Estimates**

There was no change to estimates that has a material effect in the current quarter and financial year.

**A6. Debt and Equity Securities**

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter and financial year.

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the third quarter ended 31 October 2008**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENT**

**A7. Dividend**

No dividend has been paid in the current financial year.

**A8. Segment Information**

The Group's segmental report for the current financial year is as follows:

	<b>Manufacturing and trading of industrial product RM'000</b>	<b>Construction RM'000</b>	<b>Leasing, management services and investment holding RM'000</b>	<b>Group RM'000</b>
<b><u>Revenue</u></b>				
External sales	21,614	11,435	2,532	35,581
Inter-segment sales	-	-	-	-
Total sales	<u>21,614</u>	<u>11,435</u>	<u>2,532</u>	<u>35,581</u>
<b><u>Results</u></b>				
Segment results	(2,841)	(671)	(537)	(4,049)
Interest income				8,543
Finance cost				(14,154)
Share of results of associates				17,039
Profit before tax				<u>7,379</u>
Income tax expenses				<u>(34)</u>
Profit for the year				<u>7,345</u>

**A9. Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

**A10. Material Subsequent Events**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

**KUMPULAN EUROPLUS BERHAD (534368-A)**

**Interim financial report for the third quarter ended 31 October 2008**

(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENT**

**A11. Changes in the Composition of The Group**

There were no material changes in the composition of the Group for the current quarter and financial year.

**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

For the current quarter, the Group recorded a revenue of RM7.73 million and a profit before tax of RM1.56 million. The Group's revenue increased by 15% over the corresponding quarter of the preceding year mainly attributable to the higher billing from sand mining and manufacturing activities. Consequently, the Group's profit before tax increased by RM1.21 million in the current quarter compared with RM0.35 million in the corresponding quarter of the preceding year.

For the current financial period ended 31 October 2008, the Group achieved total revenue of RM35.58 million, an increase of 104% compared to the corresponding period of the preceding year, attributable mainly to higher billing from construction, sand mining and manufacturing activities. The Group recorded a profit before tax of RM7.38 million in the current financial period ended 31 October 2008, compared with a loss before tax of RM20.43 million in the corresponding period of the preceding year. The better result achieved was mainly attributable to the write-back of provision for doubtful receivables no longer required, higher interest income earned and an increase in share of profits of associates.

**B2. Comparison with Preceding Quarter's Results**

For the current quarter, the Group achieved lower revenue of RM7.73 million, compared with RM13.09 million in the preceding quarter. Lower revenue achieved in the current quarter was attributable mainly to the lower billing from construction. Similarly, the Group recorded a lower profit before tax of RM1.56 million in the current quarter compared with RM2.94 million in the preceding quarter. Lower profit before tax recorded in the current quarter was due mainly to the lower profit contribution from the associates.

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the third quarter ended 31 October 2008**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENT**

**B3. Prospects**

Construction and the related work at Canal City project commenced towards the end of 2007. However, the new State Government of Selangor has requested changes to the original privatisation plan, including omission of the main canal and its related work. As such, the land already alienated to Canal City Construction Sdn Bhd (CCC), the 35%-associate of the Company, would be considered sold to CCC, at a price to be mutually agreed upon. While revised terms and conditions are being worked out with the State Government, canal construction work has stopped.

The fund raising exercise for West Coast Expressway has been delayed mainly due to changes made to the original alignment as requested by the authorities and current uncertainties in the bond market. Construction work would only commence upon securing the necessary rating and funding. Meanwhile, the condition for Financial Close has lapsed on 25 August 2008 and Konsortium LPB Sdn Bhd, the concessionaire, which is a 64.2%-subsidiary of the Company, has applied to the Government to further extend the validity period of the contract.

The Group's 42.94% - associate, Talam Corporation Berhad (TCB) has received approval from the Securities Commission on its proposed regularisation plan on 29 April 2008. Subsequently, the petition for reduction of share capital and share premium account was granted by the High Court of Malaya on 5 December 2008. The implementation is targeted for completion by January 2009. Once implemented, TCB is expected to significantly improve its capital structure and gearing position to a much stronger financial position.

**B4. Profit Forecast and Guarantee**

No profit forecast or guarantee was issued in respect of the current year.

**B5. Income Tax Expenses**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To-date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31/10/2008 RM'000</b>	<b>31/10/2007 RM'000</b>	<b>31/10/2008 RM'000</b>	<b>31/10/2007 RM'000</b>
Income Tax				
- Current year	-	(337)	-	(454)
- prior year	(34)	92	(34)	92
	<u>(34)</u>	<u>(245)</u>	<u>(34)</u>	<u>(362)</u>

The effective tax rate of the Group for the current quarter and current year-to-date is lower than the statutory tax rate mainly due to losses incurred by certain subsidiaries.



**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the third quarter ended 31 October 2008**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENT**

**B6. Disposal of Unquoted Investments and/or Properties**

There were no disposal of unquoted investments and/or properties for the current quarter and financial year.

**B7. Purchase or Disposal of Quoted Securities**

There were no purchase or disposal of quoted securities for the current quarter and financial year.

**B8. Status of Corporate Proposals**

There were no announcements of corporate proposals which were not completed as at the date of this announcement.

**B9. Group Borrowings and Debt Securities**

The Group's borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 October 2008 are as follows:

	<b>RM'000</b>
Short term borrowings	
- secured	102,385
- unsecured	129,418
	<hr/>
	231,803
	<hr/>
Long term borrowings	
- secured	30,553
	<hr/>
Total borrowings	262,356
	<hr/>

**B10. Off Balance Sheet Risk Financial Instruments**

The Group did not contract for any financial instruments with off balance sheet risk as at the date of this announcement.

**B11. Material Litigation**

The Group is not engaged in any material litigation for the current financial year.

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the third quarter ended 31 October 2008**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENT**

**B12. Earnings Per Share**

**Basic**

The basic earnings/(loss) per share is calculated by dividing the Group's net profit/(loss) for the current quarter and financial year by the number of ordinary shares in issue as at 31 October 2008 of 473,691,765 shares (31 October 2007 : 473,691,765 shares).

**Diluted**

The diluted earnings/(loss) per share is not calculated as there is no dilutive effects on earnings/(loss) per share for the current quarter and financial year.

**B13. Audit Report on Preceding Annual Financial Statements**

The auditors' report of the financial statements for the year ended 31 January 2008 was adopted on 29 May 2008 and was not subject to any qualification.

**B14. Authorisation for Issue**

The interim financial reports were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 December 2008.

By order of the Board

Ting Kok Keong  
Company Secretary