

KUMPULAN EUROPLUS BERHAD (534368-A)**Interim financial report for the year ended 31 January 2009**

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/1/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/1/2008 RM'000	CURRENT YEAR TO-DATE 31/1/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/1/2008 RM'000
Revenue	8,217	41,129	43,798	58,524
Cost of sales	(9,355)	(35,790)	(41,279)	(49,633)
Gross (loss)/profit	(1,138)	5,339	2,519	8,891
Other operating income	9,918	3,351	21,812	7,792
Operating expenses	(11,009)	(12,875)	(22,066)	(39,890)
Finance cost	(4,939)	(558)	(19,093)	(10,618)
Share of results of associates	10,663	270	27,702	8,922
Profit/(loss) before tax	3,495	(4,473)	10,874	(24,903)
Income tax (expense)/credit	(97)	542	(131)	180
Profit/(loss) for the year	3,398	(3,931)	10,743	(24,723)
Attributable to:				
Equity holders of the Company	3,827	(4,549)	11,239	(24,823)
Minority interest	(429)	618	(496)	100
	3,398	(3,931)	10,743	(24,723)
	-	-	-	-
Earnings/(loss) per share attributable to equity holders of the Company :				
- Basic (sen)	0.8	(1.0)	2.4	(5.2)
- 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.

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CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT CURRENT QUARTER ENDED 31/1/2009 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31/1/2008 RM '000
ASSETS		
Non-Current Assets		
Property, plant and equipment	18,507	17,919
Leasehold land	19,437	19,607
Infrastructure development expenditure	62,242	54,006
Investment in associates	166,153	149,808
Goodwill on consolidation	9,377	10,374
Total Non-Current Assets	275,716	251,714
Current Assets		
Inventories	2,699	3,072
Trade receivables	46,027	95,577
Other receivables and prepaid expenses	160,045	109,114
Cash and bank balances	2,750	6,071
Total Current Assets	211,521	213,834
TOTAL ASSETS	487,237	465,548
EQUITY AND LIABILITIES		
Share capital	473,692	473,692
Reserves	(355,032)	(354,913)
Attributable to equity holders of the Company	118,660	118,779
Minority Interest	9,440	9,812
Total Equity	128,100	128,591
Non-Current and Deferred Liabilities		
Hire purchase payables	210	68
Borrowings	120,553	30,553
Deferred tax liabilities	318	291
Total Non-Current Liabilities	121,081	30,912
Current Liabilities		
Trade payables	29,880	32,629
Other payables and accrued expenses	62,834	38,580
Hire purchase payables	60	23
Borrowings	143,505	232,750
Tax liabilities	1,777	2,063
Total Current Liabilities	238,056	306,045
TOTAL LIABILITIES	359,137	336,957
EQUITY AND LIABILITIES	487,237	465,548
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.2505	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.

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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				
12 months ended 31 January 2009							
Balance as at 1 February 2008	473,692	26,560	-	(381,473)	118,779	9,812	128,591
Share of associates reserve	-	-	(8,422)	-	(8,422)	-	(8,422)
Partial disposal of shares in a subsidiary	-	-	-	-	-	124	124
Effect of dilution on equity interest in an associate	-	-	-	(2,936)	(2,936)	-	(2,936)
Profit for the year	-	-	-	11,239	11,239	(496)	10,743
Balance as at 31 January 2009	<u>473,692</u>	<u>26,560</u>	<u>(8,422)</u>	<u>(373,170)</u>	<u>118,660</u>	<u>9,440</u>	<u>128,100</u>
12 months ended 31 January 2008							
Balance as at 1 February 2007	473,692	26,560	-	(356,650)	143,602	9,712	153,314
Loss for the year	-	-	-	(24,823)	(24,823)	100	(24,723)
Balance as at 31 January 2008	<u>473,692</u>	<u>26,560</u>	<u>-</u>	<u>(381,473)</u>	<u>118,779</u>	<u>9,812</u>	<u>128,591</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.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended 31/1/2009 RM'000	12 months ended 31/1/2008 RM'000
Net cash from operating activities	26,013	29,753
Net cash used in investing activities	(29,109)	(96,369)
Net cash flows from financing activities	2,764	68,822
Net (decrease)/increase in cash and cash equivalents	<u>(332)</u>	<u>2,206</u>
Cash and cash equivalents at beginning of financial year	(14,799)	(17,005)
Cash and cash equivalents at end of financial year	<u><u>(15,131)</u></u>	<u><u>(14,799)</u></u>

Note :

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

Cash and bank balances	611	3,773
Fixed deposits	2,139	2,298
Bank overdrafts	<u>(15,742)</u>	<u>(18,572)</u>
	(12,992)	(12,501)
Less: Fixed deposits pledged to banks	<u>(2,139)</u>	<u>(2,298)</u>
	<u><u>(15,131)</u></u>	<u><u>(14,799)</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.

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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.

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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:

	Manufacturing and trading of industrial product RM'000	Construction RM'000	Leasing, management services and investment holding RM'000	Group RM'000
<u>Revenue</u>				
External sales	29,827	11,435	2,536	43,798
Inter-segment sales	-	-	-	-
Total sales	<u>29,827</u>	<u>11,435</u>	<u>2,536</u>	<u>43,798</u>
<u>Results</u>				
Segment results	(6,762)	(4,239)	(5,089)	(16,090)
Interest income				18,355
Finance cost				(19,093)
Share of results of associates				27,702
Profit before tax				<u>10,874</u>
Income tax expenses				<u>(131)</u>
Profit for the year				<u>10,743</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.

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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

The Group's revenue decreased substantially in the current quarter to RM8.22 million as compared to the corresponding quarter in the preceding year of RM41.13 million. Lower revenue achieved in the current quarter was mainly attributable to the lower billing from construction activity. The Group recorded a profit before tax of RM3.50 million in the current quarter compared to a loss before tax of RM4.47 million in the corresponding quarter of the preceding year as a result of the higher interest income earned and an increase in share of profits of associates.

For the current financial year ended 31 January 2009, the Group achieved total revenue of RM43.80 million, a decreased of 25% compared to the preceding year. Lower revenue achieved in the current year is mainly due to the lower billing from construction activity. The Group recorded a profit before tax of RM10.87 million in the current financial year ended 31 January 2009, compared to a loss before tax of RM24.90 million in 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 higher revenue of RM8.22 million, compared to RM7.73 million in the preceding quarter. Higher revenue achieved in the current quarter was attributable mainly to the sand mining activity. In the same period, the Group recorded a higher profit before tax of RM3.50 million, compared to RM1.56 million in the preceding quarter mainly attributable to higher interest income earned and an increase in share of results of associates.

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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 funding. Meanwhile, Konsortium LPB Sdn Bhd, the concessionaire, which is a 64.2%-subsidiary of the Company, has successfully applied to the Kementerian Kerja Raya (KKR) to extend the date of financial close to 19 March 2009. The Company has on 17 March 2009 submitted all the necessary documents to KKR to satisfy the conditions precedent of the Concession Agreement and awaits the KKR to revert and confirm the effective date of the Concession Agreement.

The Group's 41.98% - associate, Talam Corporation Berhad (TCB) received approval from the Securities Commission on its proposed regularisation plan on 29 April 2008. The reduction of share capital and share premium account was completed on 23 January 2009 and the share split was completed on 16 February 2009. Following this, new financial instruments are expected to be issued to lenders in April, 2009. Upon full implementation, TCB is expected to 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.

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NOTES TO CONDENSED FINANCIAL STATEMENT

B5. Income Tax (Expense)/Credit

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/1/2009 RM'000	31/1/2008 RM'000	31/1/2009 RM'000	31/1/2008 RM'000
Income Tax				
- Current year	-	362	-	-
- prior year	(70)	92	(104)	92
	<u>(70)</u>	<u>454</u>	<u>(104)</u>	<u>92</u>
Deferred taxation	(27)	88	(27)	88
	<u>(97)</u>	<u>542</u>	<u>(131)</u>	<u>180</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. The tax credit arose from tax refund in respect of the Company in the previous year.

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.

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NOTES TO CONDENSED FINANCIAL STATEMENT

B9. Group Borrowings and Debt Securities

The Group's borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 January 2009 are as follows:

	RM'000
Short term borrowings	
- secured	101,035
- unsecured	42,470
	<hr/>
	143,505
Long term borrowings	
- secured	120,553
	<hr/>
Total borrowings	264,058

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.

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 January 2009 of 473,691,765 shares (31 January 2008 : 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.

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NOTES TO CONDENSED FINANCIAL STATEMENT

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 30 March 2009.

By order of the Board

Ting Kok Keong
Company Secretary