

KUMPULAN EUROPLUS BERHAD (534368-A)**Interim financial report for the first quarter ended 30 April 2009**

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/4/2009 RM'000	PRECEDING YEAR QUARTER 30/4/2008 RM'000	CURRENT YEAR TO-DATE 30/4/2009 RM'000	PRECEDING YEAR TO-DATE 30/4/2008 RM'000
Revenue	9,853	14,759	9,853	14,759
Cost of sales	(16,911)	(13,111)	(16,911)	(13,111)
Gross (loss)/profit	(7,058)	1,648	(7,058)	1,648
Other operating income	16,528	5,536	16,528	5,536
Operating expenses	(6,089)	(2,027)	(6,089)	(2,027)
Finance cost	(4,509)	(5,097)	(4,509)	(5,097)
Share of results of associates	1,190	2,814	1,190	2,814
Profit before tax	62	2,874	62	2,874
Taxation	-	-	-	-
Profit for the year	62	2,874	62	2,874
Attributable to:				
Equity holders of the Company	250	2,837	250	2,837
Minority interest	(188)	37	(188)	37
	62	2,874	62	2,874
	-	-	-	-
Earnings per share attributable to equity holders of the Company :				
- Basic (sen)	0.1	0.6	0.1	0.6
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT 30/4/2009 RM '000	AUDITED AS AT 31/1/2009 RM '000
ASSETS		
Non-Current Assets		
Property, plant and equipment	17,884	17,541
Leasehold land	19,365	19,437
Infrastructure development expenditure	63,788	62,242
Investment in associates	164,721	166,866
Goodwill on consolidation	9,377	9,377
Total Non-Current Assets	275,135	275,463
Current Assets		
Inventories	2,359	2,744
Trade receivables	19,692	23,170
Other receivables, deposits and prepayments	39,428	42,490
Amount owing by a shareholder	2,593	2,594
Amount owing by associates	174,141	140,412
Tax recoverable	158	132
Fixed deposits	180	692
Cash and bank balances	178	740
Total Current Assets	238,729	212,974
TOTAL ASSETS	513,864	488,437
EQUITY AND LIABILITIES		
Share capital	473,692	473,692
Reserves	(354,484)	(355,030)
Attributable to equity holders of the Company	119,208	118,662
Minority Interest	9,287	9,475
Total Equity	128,495	128,137
Non-Current and Deferred Liabilities		
Hire purchase payables	194	210
Borrowings	123,000	123,000
Deferred tax liabilities	219	219
Total Non-Current Liabilities	123,413	123,429
Current Liabilities		
Trade payables	29,690	30,141
Other payables, deposits and accruals	75,280	52,387
Amount owing to directors	4,670	2,772
Amount owing to a shareholder	342	342
Amount owing to associates	10,295	9,296
Hire purchase liabilities	60	60
Borrowings	139,844	140,095
Tax payables	1,775	1,778
Total Current Liabilities	261,956	236,871
TOTAL LIABILITIES	385,369	360,300
EQUITY AND LIABILITIES	513,864	488,437
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.2517	0.2505

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable				Attributable to Equity Holders of the Company	Minority Interest	Total Equity
	Share Capital	Share Premium	Foreign Exchange Reserve	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30 April 2009							
Balance as at 1 February 2009	473,692	26,560	(8,422)	(373,168)	118,662	9,475	128,137
Share reserve of an associate	-	-	296	-	296	-	296
Profit for the period	-	-	-	250	250	(188)	62
Balance as at 30 April 2009	<u>473,692</u>	<u>26,560</u>	<u>(8,126)</u>	<u>(372,918)</u>	<u>119,208</u>	<u>9,287</u>	<u>128,495</u>
3 months ended 30 April 2008							
Balance as at 1 February 2008	473,692	26,560	-	(381,473)	118,779	9,812	128,591
Share reserve of an associate	-	-	(2,956)	-	(2,956)	-	(2,956)
Profit for the period	-	-	-	2,837	2,837	37	2,874
Balance as at 30 April 2008	<u>473,692</u>	<u>26,560</u>	<u>(2,956)</u>	<u>(378,636)</u>	<u>118,660</u>	<u>9,849</u>	<u>128,509</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 2009 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended 30/4/2009 RM'000	3 months ended 30/4/2008 RM'000
Net cash from operating activities	24,413	1,103
Net cash used in investing activities	(28,261)	(747)
Net cash flows from financing activities	3,291	184
Net (decrease)/increase in cash and cash equivalents	<u>(557)</u>	<u>540</u>
Cash and cash equivalents at beginning of financial year	(14,699)	(14,799)
Cash and cash equivalents at end of financial period	<u><u>(15,256)</u></u>	<u><u>(14,259)</u></u>

Note :

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

Cash and bank balances	178	4,496
Fixed deposits	180	1,544
Bank overdrafts	<u>(15,434)</u>	<u>(18,755)</u>
	(15,076)	(12,715)
Less: Fixed deposits pledged to banks	<u>(180)</u>	<u>(1,544)</u>
	<u><u>(15,256)</u></u>	<u><u>(14,259)</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2009 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 2009.

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 2009.

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 2009.

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-to-date except for an amount of RM14.82 million being gain arising from a debt purchase transaction classified under other operating income.

A5. Material Changes in Estimates

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

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NOTES TO CONDENSED FINANCIAL STATEMENT

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-to-date.

A7. Dividend

No dividend has been paid in the current financial year-to-date.

A8. Segment Information

The Group's segmental report for the current financial year-to-date 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	9,028	-	825	9,853
Inter-segment sales	-	-	-	-
Total sales	<u>9,028</u>	<u>-</u>	<u>825</u>	<u>9,853</u>
<u>Results</u>				
Segment results	(466)	(7,628)	(4,929)	(13,023)
Interest income				1,587
Other income	14,817	-	-	14,817
Finance cost				(4,509)
Share of results of associates				1,190
Profit before tax				<u>62</u>
Taxation				<u>-</u>
Profit for the year				<u>62</u>

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NOTES TO CONDENSED FINANCIAL STATEMENT

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 current financial year-to-date that have not been reflected in the financial statements.

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-to-date.

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 achieved a revenue of RM9.85 million and a profit before tax of RM0.06 million. The Group's revenue decreased by 33% as compared to the corresponding quarter in the preceding year of RM14.76 million. The lower revenue achieved in the current quarter was mainly because a substantial proportion of the projects have been completed in the preceding year. For the quarter, despite the gain of RM14.82 million as disclosed in Note A4, the Group recorded a lower profit before tax of RM0.06 million compared to RM2.87 million in the corresponding quarter in the preceding year due to substantial provision made for liquidated damages claims made by the clients for projects completed in earlier years.

B2. Comparison with Preceding Quarter's Results

For the current quarter, the Group achieved higher revenue of RM9.85 million, compared to RM8.22 million in the preceding quarter. Higher revenue achieved in the current quarter was attributable mainly to the manufacturing division. In the same period, the Group recorded a lower profit before tax of RM0.06 million, compared to RM3.50 million in the preceding quarter mainly attributable to the same reasons as mentioned in Note B1 above.

NOTES TO CONDENSED FINANCIAL STATEMENT

B3. Prospects

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 KKR to revert and confirm the effective date of the Concession Agreement.

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 but building work for Orang Asli settlement is still on-going. Due to the above reason and soft market condition, launching of Phase 1 has been deferred .

The Group's 41% - 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. The completion of the Regularisation Plan is pending for the issuance of the new financial instruments end of June 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 financial year.

B5. Taxation

There were no tax effect for the current quarter and financial year-to-date due to tax losses incurred by companies of the Group.

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-to-date.

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NOTES TO CONDENSED FINANCIAL STATEMENT

B7. Purchase or Disposal of Quoted Securities

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

B8. Status of Corporate Proposals

There were no announced 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 30 April 2009 are as follows:

	RM'000
Short term borrowings	
- secured	97,881
- unsecured	41,963
	<hr/>
	139,844
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Long term borrowings	
- secured	123,000
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Total borrowings	<u>262,844</u>

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-to-date.

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NOTES TO CONDENSED FINANCIAL STATEMENT

B12. Earnings Per Share

Basic

The basic (loss)/earnings per share is calculated by dividing the Group's net (loss)/profit for the current quarter and financial year-to-date by the number of ordinary shares in issue as at 30 April 2009 of 473,691,765 shares (30 April 2008 : 473,691,765 shares).

Diluted

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

B13. Audit Report on Preceding Annual Financial Statements

The auditors' report of the financial statements for the year ended 31 January 2009 was adopted on 29 May 2009 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 19 June 2009.

By order of the Board

Ting Kok Keong
Company Secretary