

Interim financial report for the second quarter ended 31 July 2012

(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/07/2012 RM'000	PRECEDING YEAR QUARTER 31/07/2011 RM'000	CURRENT FINANCIAL YEAR 31/07/2012 RM'000	PRECEDING FINANCIAL YEAR 31/07/2011 RM'000
<b>Continuing Operations</b>				
Revenue	4,445	4,713	9,417	10,965
Cost of sales	(3,954)	(4,108)	(7,905)	(9,275)
Gross profit	491	605	1,512	1,690
Other income (N1)	881	40,722	2,893	55,076
Operating expenses (N2)	2,645	(35,544)	2,613	(39,143)
Finance cost	(2,785)	(3,046)	(5,121)	(7,597)
Share of results of associates	(3,760)	117	(3,891)	(5,659)
<b>(Loss)/profit before tax</b>	<b>(2,528)</b>	<b>2,854</b>	<b>(1,994)</b>	<b>4,367</b>
Taxation	(337)	308	(572)	(95)
<b>(Loss)/profit for the quarter</b>	<b>(2,865)</b>	<b>3,162</b>	<b>(2,566)</b>	<b>4,272</b>
Share of other comprehensive income of associat	468	(16)	463	49
<b>Total comprehensive (loss)/income</b>	<b>(2,397)</b>	<b>3,146</b>	<b>(2,103)</b>	<b>4,321</b>
<b>(Loss)/profit for the period attributable to:</b>				
Owners of the Company	(2,957)	3,070	(2,775)	4,068
Non-Controlling Interests	92	92	209	204
	<b>(2,865)</b>	<b>3,162</b>	<b>(2,566)</b>	<b>4,272</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(2,489)	3,054	(2,312)	4,117
Non-Controlling Interests	92	92	209	204
	<b>(2,397)</b>	<b>3,146</b>	<b>(2,103)</b>	<b>4,321</b>
<b>Earnings per share attributable to Owners of the Company :</b>				
- Basic (sen)	(0.57)	0.65	(0.53)	0.78
- Diluted (sen)	-	-	-	-
<b>Notes: ( Refer to B1 " Review of Performance" for more info)</b>				
<b>N1) Included under Other Income</b>				
- Interest Income	820	953	1,513	2,744
- Gain on accretion of equity interest in Trinity	-	-	-	1,873
- Gain on sale of investments	-	39,572	-	49,171
<b>N2) Included under Operating Expenses</b>				
- Depreciation	104	101	187	200
- Provision for doubtful debt	-	24,787	-	26,974
- Provision for doubtful debts no longer required	(1,811)	(50)	(3,531)	(50)
- Reversal of over accrual of prior years rental	(2,372)	-	(2,372)	-
- Loss on fair value of short term investments	-	9,276	-	8,332

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

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

**Interim financial report for the second quarter ended 31 July 2012**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED AS AT 31/07/2012 RM '000	AUDITED AS AT 31/01/2012 RM '000	AS AT 01/02/2011 (MFRS transition date) RM '000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	19,980	20,499	26,206
Infrastructure development expenditure	93,792	90,462	71,791
Investment in associates	168,870	171,061	121,439
Goodwill on consolidation	7,086	7,086	7,424
<b>Total Non-Current Assets</b>	<b>289,728</b>	<b>289,108</b>	<b>226,860</b>
<b>Current Assets</b>			
Inventories	1,432	1,189	1,348
Trade and other receivables	86,690	102,550	204,103
Amount due from contracts customers	663	1,554	1,532
Short term investments	-	-	6,774
Fixed deposits	500	-	-
Cash and bank balances	4,842	3,655	31,888
<b>Total Current Assets</b>	<b>94,127</b>	<b>108,948</b>	<b>245,645</b>
<b>TOTAL ASSETS</b>	<b>383,855</b>	<b>398,056</b>	<b>472,505</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	520,992	520,992	520,992
Reserves	(399,550)	(395,982)	(423,318)
Attributable to Owners of the Company	121,442	125,010	97,674
Non-controlling interests	6,708	8,625	8,283
<b>Total Equity</b>	<b>128,150</b>	<b>133,635</b>	<b>105,957</b>
<b>Non-Current Liabilities</b>			
Loans and borrowings	109,003	109,035	142,086
Deferred taxation	113	113	358
	109,116	109,148	142,444
<b>Current Liabilities</b>			
Trade and other payables	112,986	116,968	105,919
Loans and borrowings	28,554	32,961	112,235
Tax payables	5,049	5,344	5,950
<b>Total Current Liabilities</b>	<b>146,589</b>	<b>155,273</b>	<b>224,104</b>
<b>TOTAL LIABILITIES</b>	<b>255,705</b>	<b>264,421</b>	<b>366,548</b>
<b>EQUITY AND LIABILITIES</b>	<b>383,855</b>	<b>398,056</b>	<b>472,505</b>
Net assets per share attributable to Owners of the Company (RM)	0.2331	0.2399	0.1875

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

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

**Interim financial report for the second quarter ended 31 July 2012**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-Distributable			Accumulated Losses	Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Foreign Exchange Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current financial year</b>							
Balance as at 1 February 2012	520,992	36,965	(2,424)	(430,523)	125,010	8,625	133,635
Acquisition of additional equity interest in a subsidiary	-	-	-	(1,256)	(1,256)	(2,126)	(3,382)
Total comprehensive income	-	-	463	(2,775)	(2,312)	209	(2,103)
Balance as at 31 July 2012	520,992	36,965	(1,961)	(434,554)	121,442	6,708	128,150
<b>Preceding financial year</b>							
Balance as at 1 February 2011	520,992	36,965	(2,035)	(458,248)	97,674	8,283	105,957
Total comprehensive income	-	-	49	4,068	4,117	204	4,321
Balance as at 31 July 2011	520,992	36,965	(1,986)	(454,180)	101,791	8,487	110,278

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

**KUMPULAN EUROPLUS BERHAD (534368-A)****Interim financial report for the second quarter ended 31 July 2012**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended 31/07/2012 RM'000</b>	<b>6 months ended 31/07/2011 RM'000</b>
<b>OPERATING ACTIVITIES:</b>		
Profit before taxation:	(1,994)	4,367
Adjustment for		
Provision for doubtful debts	-	26,974
Provision for doubtful debts no longer required	(3,531)	(50)
Depreciation of property, plant and equipment	187	200
Gain accretion on equity interest in an associate	-	(1,873)
Share of results of associates	3,891	5,659
Interest income	(1,513)	(2,744)
Interest expense	5,121	7,597
Gain on disposal of property, plant and equipment	(222)	-
Gain on redemption of Trinity financial instruments	-	8,332
	<hr/>	<hr/>
<b>Operating cash flows before changes in working capital</b>	<b>1,939</b>	<b>48,462</b>
Changes in Working Capital:		
Inventories	(243)	63
Receivables	7,198	(23,125)
Payables	(930)	(18,245)
	<hr/>	<hr/>
<b>Net cash flows from operations</b>	<b>7,964</b>	<b>7,155</b>
Interest paid	(5,121)	(7,597)
Income tax paid	(868)	(537)
	<hr/>	<hr/>
<b>Net cash flows from/(used in) operating activities</b>	<b>1,975</b>	<b>(979)</b>
	<hr/>	<hr/>
<b>INVESTING ACTIVITIES</b>		
Decrease in amount owing by associate	10,714	92,157
Increase in infrastructure development expenditure	(3,330)	(13,813)
Additional acquisition of interest in a subsidiary company	(1,256)	-
Interest received	1,513	2,744
Proceeds from disposal of property, plant and equipment	1,025	-
Additions to property, plant and equipment	(594)	(148)
	<hr/>	<hr/>
<b>Net cash flows used from investing activities</b>	<b>8,072</b>	<b>80,940</b>
	<hr/>	<hr/>

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

**Interim financial report for the second quarter ended 31 July 2012**

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>FINANCING ACTIVITIES</b>		
(Decrease)/increase in amount owing to associates	(3,771)	2,375
Decrease in amount owing to director	(150)	(4,214)
Repayment of borrowings	(3,706)	(47,332)
<b>Net cash flows used in financing activities</b>	<b>(7,627)</b>	<b>(49,171)</b>
Net increase in cash and cash equivalents	2,420	30,790
Cash and cash equivalents at beginning of financial period	1,028	(29,738)
Cash and cash equivalents at end of financial period	<u>3,448</u>	<u>1,052</u>

**Note :**

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

Cash and bank balances	4,842	3,565
Fixed deposits with licence bank	500	2,231
Bank overdrafts	(1,894)	(4,744)
	<u>3,448</u>	<u>1,052</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2012 and the accompanying explanatory notes attached to the interim financial report.

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

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

**A1. Basis of Preparation**

The unaudited quarterly consolidated financial statements has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 January 2012 and the accompanying explanatory notes attached to the unaudited condensed consolidated 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 2012.

**A2. Accounting policies and methods of computation**

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2012 except for the first-time adoption of Malaysian Financial Reporting Standards (“MFRS”) Framework.

The Group has adopted the new MFRS Framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 January 2012. This MFRS Framework comprises International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

In the transition to the MFRS Framework, the Group has applied MFRS 1 “First-time Adoption of MFRS” which provides certain optional exceptions and certain mandatory exceptions for the first time MFRS adopters. Save for the required presentation of three statements of financial position in the first MFRS financial statements, there is no other significant impact on the Group’s financial results and position, and changes to the accounting policies of the Group arising from the adoption of this MFRS Framework as the requirements under the previous Financial Reporting Standards (“FRS”) Framework were equivalent to the MFRS Framework, although there are some differences in relation to the transitional provisions and effective dates contain in certain of the MFRSs.

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

### **MFRSs and Amendments to the MFRSs that are applicable to the Group but not yet effective**

The Group has not early adopted the following standards that have been issued by Malaysian Accounting Standards Board as these are effective for the financial period beginning on or after 1 January 2013

- MFRS 9 Financial Instruments (effective from 1 January 2015)
- MFRS 10 Consolidated Financial Statements (effective from 1 January 2013)
- MFRS 12 Disclosure of Interests on Other Entities (effective from 1 January 2013)
- MFRS 13 Fair Value Measurement (effective from 1 January 2013)
- MFRS 119 Employee Benefits (effective from 1 January 2013)
- MFRS 127 Separate Financial Statements (effective from 1 January 2013)
- Amendments to MFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)
- Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (effective from 1 July 2012)
- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)

The directors do not anticipate that the application of the new MFRSs when they are effective, will have a material impact on the results and the financial position of the Group.

#### **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 financial year-to-date other than those mentioned in Note B1.

#### **A5. Material Changes in Estimates**

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

#### **A6. Debt and Equity Securities**

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

#### **A7. Dividend**

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

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the second quarter ended 31 July 2012**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**A8. Segmental Results**

Segmental results are included in Note B1 below.

**A9. Material Subsequent Events**

There were no material events subsequent to the end of the current year quarter.

**A10. Changes in the Composition of the Group**

As announced in the previous quarter, the Group had on 17 February 2012, purchased 4,590,191 ordinary shares of RM1.00 each representing 15.80% equity interest in West Coast Expressway Sdn. Bhd. (WCE) for a total purchase consideration of RM5,336,097-00. Together with 18,649,046 ordinary shares of RM1.00 each (64.20%) held by KEURO, KEURO now holds 80% equity interest in WCE.

**A11. Contingent Liabilities**

Keuro Leasing Sdn Bhd (KLSB), a wholly-owned subsidiary was indebted to Bangkok Bank Berhad (BBB) for an amount of RM5.77 million. The bank borrowing was secured against a piece of development land of 74.53 acres in Sepang, Selangor (the Land) which belongs to an Associate company, Trinity Corporation Berhad (Trinity). The Land, valued at RM48.70 million, was part and parcel of properties sold by Trinity to a creditor under an agreement entered into on March 2010. Despite its awareness of this agreement, BBB, had on 7 September 2010, proceeded to auction the Land to a purchaser for RM15 million, thus giving rise to a potential loss of RM33.70 million to KLSB, should Trinity be unsuccessful in recovering the Land which is currently being pursued vigorously through court actions taken against purchaser for auction done in bad faith and, against BBB, for having wrongfully auctioned the Land.

Based on counsel's advice, the Board believes Trinity has a reasonably good and valid claim in the legal actions being taken.



**KUMPULAN EUROPLUS BERHAD (534368-A)****Interim financial report for the second quarter ended 31 July 2012**

(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS****PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance****(a) Segmental Information**

<u>Segmental Revenue</u>	<u>Current quarter</u>				<u>Cumulative quarters</u>			
	<u>2012</u> RM'000	<u>2011</u> RM'000	<u>Changes</u>		<u>2012</u> RM'000	<u>2011</u> RM'000	<u>Changes</u>	
			RM'000	%			RM'000	%
Manufacturing and trading of industrial products	3,082	3,403	(321)	(9)	6,835	6,292	543	9
Construction	1,363	1,130	233	21	2,582	4,054	(1,472)	(36)
Investment holding, management services and leasing	-	180	(180)	(100)	-	619	(619)	(100)
	<u>4,445</u>	<u>4,713</u>	<u>(268)</u>	<u>(6)</u>	<u>9,417</u>	<u>10,965</u>	<u>(1,548)</u>	<u>(14)</u>

<u>(Loss)/Profit before tax</u>	<u>Current quarter</u>				<u>Cumulative quarters</u>			
	<u>2012</u> RM'000	<u>2011</u> RM'000	<u>Changes</u>		<u>2012</u> RM'000	<u>2011</u> RM'000	<u>Changes</u>	
			RM'000	%			RM'000	%
Manufacturing and trading of industrial products	643	283	359	127	1,307	707	600	85
Construction	2,605	(19,358)	21,962	113	2,487	(21,031)	23,518	112
Investment holding, management services and leasing	(5,776)	21,929	(27,705)	(126)	(5,788)	24,691	(30,479)	(123)
	<u>(2,528)</u>	<u>2,854</u>	<u>(5,382)</u>	<u>(189)</u>	<u>(1,994)</u>	<u>4,367</u>	<u>(6,361)</u>	<u>(146)</u>

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the second quarter ended 31 July 2012**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**(b) Overall Results Commentary:**

**For the quarter:**

The Group recorded a revenue of RM 4.45 million which is a decrease of 6% compared with the revenue recorded in the preceding year quarter. The Group recorded a pre-tax loss of RM 2.53 million, a decrease of 189%, compared to a pre-tax profit of RM 2.85 million incurred in the preceding year quarter.

**For the year-to-date:**

The Group recorded a turnover of RM 9.42 million which is a decrease of 14% compared to the revenue recorded in previous year. The Group recorded a pre-tax loss of RM 1.99 million which is a decrease of 146% compared to pre-tax profit of RM 4.37 million recorded in the previous year.

**(c) Segmental Results Commentary:**

**i) Manufacturing and trading of industrial products:**

**For the quarter:**

Revenue of the division decreased by 9% due to a slight reduction in volume of production and sales as compared to the preceding year quarter. However, the pre-tax profit increased by 127% mainly due to a reduction in interest charged as a result of repayment of loan in the preceding year quarter.

**For the year-to-date:**

Revenue of the division had a slight increase of 9% due to the increase in volume of production and sales as compared to preceding year. However, the pre-tax profit increased by 85% mainly due to a reduction in interest charged as a result of repayment of loan in the preceding year.

**ii) Construction:**

**For the quarter:**

Revenue of the division increased by 21% as most projects approach maturity resulting in final claims. The pre-tax profit was mainly due to the reversal of rental over accrued in prior years of RM2.37 million in the current year quarter.

**For the year-to-date:**

Revenue of the division decreased by 36% as the construction projects are approaching completion. The pre-tax profit was mainly due to the reversal of rental over accrued in prior years amounting to RM2.37 million in the current year.

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

### **iii) Investment holding, Management Services and Leasing:**

#### **For the quarter:**

There is no revenue from this division for the current year quarter.

The Group recorded a pre-tax loss of RM5.78 million in the current year quarter against a pre-tax profit of RM21.93 million in the preceding year quarter due to share of losses in Trinity of RM3.76 million and finance cost of RM 2.79 million. However, the losses was mitigated by reversal of provision for doubtful debts no longer required amounting to RM1.81 million.

#### **For the year-to-date:**

There is no revenue from this division for the current year.

The Group recorded a pre-tax loss of RM5.79 million in the current year against a pre-tax profit of RM24.70 million in the preceding year due to share of losses in Trinity of RM3.89 million and finance cost of RM 5.12 million. However, the losses was mitigated by reversal of provision for doubtful debts no longer required amounting to RM3.53 million.

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

### **Overall:**

For the current year quarter, the Group achieved a total revenue of RM4.45 million and pre-tax loss of RM2.53 million against revenue of RM4.97 million and pre-tax profit of RM0.53 million of the preceding quarter. The pre-tax loss reported in the current quarter was due to share of losses in Trinity of RM3.76 million and finance cost of RM2.57 million. However, the losses was mitigated by reversal of provision for doubtful debts no longer required of RM1.81 million and reversal of rental over accrued in prior years amounting to RM2.37 million.

## **B3. Prospects**

- (a) West Coast Expressway Sdn Bhd (WCE), a 80.0% subsidiary company of the Company, has received an approval letter dated 26 January 2012 from the Public Private Partnership Unit of the Prime Minister's Department for WCE to undertake the Proposed Privatization of the Construction of the West Coast Expressway.

The Concession from Banting in Selangor to Taiping in Perak will cover a distance of 316km, of which 224km will be tolled while 92km will be toll - free. The estimated Project cost is RM7.07 billion. The Project is a build-operate-transfer (BOT) project with a concession period up to 60 years;

The Directors are of the opinion that once the concession agreement is signed with GOM, the long term viability of the WCE project will further enhance the future earnings and financial position of the Group.

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the second quarter ended 31 July 2012**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

- (b) Radiant Pillar Sdn Bhd (RPSB), a 50%-owned associate, which was alienated 1,877.87 acres of land by the State Government of Selangor pursuant to a settlement agreement dated 13 August 2010, intends to launch property development projects in the next few months.

**B4. Profit Forecast and Guarantee**

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

**B5. Taxation**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/07/2012 RM'000	Preceding Year Quarter 31/07/2011 RM'000	Current Year To-date 31/07/2012 RM'000	Preceding Year To-date 31/07/2011 RM'000
Income Tax				
- current year	190	228	425	396
- prior year	147	-	147	-
	<u>337</u>	<u>228</u>	<u>572</u>	<u>396</u>
Deferred Tax				
- current year	-	(235)	-	-
- prior year	-	(301)	-	(301)
	<u>-</u>	<u>(301)</u>	<u>-</u>	<u>(301)</u>
Total	<u>337</u>	<u>(308)</u>	<u>572</u>	<u>95</u>

Income tax provision for the current year is mainly in respect of a manufacturing subsidiary.

**B6. Status of Corporate Proposals**

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

**B7. Group Borrowings and Debt Securities**

The Group's borrowings and debt securities which are denominated in Ringgit Malaysia as at 31 July 2012 are as follows:

	RM'000
Short term borrowings	
- secured	5,953
- unsecured	22,601
	<u>28,554</u>
Long term borrowings	
- secured	109,003
Total borrowings	<u>137,557</u>

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

**Interim financial report for the second quarter ended 31 July 2012**

(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B8. 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.

**B9. Material Litigation**

The Group has not engaged in any material litigation since the last annual year end date.

**B10. Dividend**

No dividend has been declared for the current and preceding financial year.

**B11. Earnings Per Share**

**Basic**

The basic earnings per share is calculated by dividing the Group's net loss attributable to owners of RM2,957,000 for the current year quarter and RM2,775,000 for the current financial year by the number of ordinary shares in issue as at 31 July 2012 of 520,991,765 shares.

For the preceding year quarter and preceding financial year, the basic earnings per share is calculated by dividing the Group's net profit attributable to owners of RM3,070,000 for the current year quarter and RM4,068,000 by the number of ordinary shares in issue as at 31 July 2011 of 520,991,765 shares.

**Diluted**

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

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the second quarter ended 31 July 2012**  
(The figures have not been audited)

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B12. Realised and Unrealised Profit/(Losses)**

	As at 31 July 2012 RM'000	As at 31 July 2011 RM'000
Accumulated losses of the Group and its subsidiaries:		
- Realised	(205,407)	(256,664)
- Unrealised	(113)	(7,185)
Associated companies:		
- Realised	(220,830)	(180,880)
- Unrealised	(8,204)	(9,451)
Total group accumulated losses	(434,554)	(454,180)

**B13. Audit Report**

The auditors' report of the financial statements for the year ended 31 January 2012 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 26 September 2012.

By order of the Board

Raw Koon Beng  
Company Secretary