

KUMPULAN EUROPLUS BERHAD (534368-A)
Interim financial report for the first quarter ended 30 April 2013
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/04/2013 RM'000	PRECEDING YEAR QUARTER 30/04/2012 RM'000	CURRENT FINANCIAL YEAR 30/04/2013 RM'000	PRECEDING FINANCIAL YEAR 30/04/2012 RM'000
Continuing Operations				
Revenue	5,100	4,972	5,100	4,972
Cost of sales	(4,153)	(3,951)	(4,153)	(3,951)
Gross profit	947	1,021	947	1,021
Other income (N1)	373	2,012	373	2,012
Operating expenses (N2)	(1,235)	(32)	(1,235)	(32)
Finance cost	(2,742)	(2,336)	(2,742)	(2,336)
Share of results of associates	(192)	(131)	(192)	(131)
(Loss)/profit before tax	(2,849)	534	(2,849)	534
Taxation	(189)	(235)	(189)	(235)
(Loss)/profit for the period	(3,038)	299	(3,038)	299
Share of other comprehensive loss	(900)	(5)	(900)	(5)
Total comprehensive (loss)/income	(3,938)	294	(3,938)	294
(Loss)/profit for the period attributable to:				
Owners of the Company	(3,174)	182	(3,174)	182
Non-Controlling Interests	136	117	136	117
	(3,038)	299	(3,038)	299
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(4,074)	177	(4,074)	177
Non-Controlling Interests	136	117	136	117
	(3,938)	294	(3,938)	294
Earnings per share attributable to Owners of the Company :				
- Basic (sen)	(0.6)	0.03	(0.6)	0.03
- Diluted (sen)	-	-	-	-

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CURRENT YEAR QUARTER 30/04/2013 RM'000	PRECEDING YEAR QUARTER 30/04/2012 RM'000	CURRENT FINANCIAL YEAR 30/04/2013 RM'000	PRECEDING FINANCIAL YEAR 30/04/2012 RM'000

Notes: (Refer to B1 " Review of Performance" for more info)

N1) Included under Other Income

- Interest Income	365	693	365	693
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N2) Included under Operating Expenses

- Depreciation	(51)	(83)	(51)	(83)
- Provision for doubtful debt no longer required	-	1,720	-	1,720

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	30/04/2013	31/01/2013
	RM '000	RM '000
ASSETS		
Non-Current Assets		
Property, plant and equipment	19,600	19,743
Infrastructure development expenditure	120,660	115,221
Investment in associates	164,331	165,411
Goodwill on consolidation	7,086	7,086
Total Non-Current Assets	311,677	307,461
Current Assets		
Inventories	1,632	1,792
Trade and other receivables	56,111	61,364
Amount due from contracts customers	1,214	-
Fixed deposits with licence bank	400	1,638
Cash and bank balances	5,416	3,192
Total Current Assets	64,773	67,986
TOTAL ASSETS	376,450	375,447
EQUITY AND LIABILITIES		
Share capital	520,992	520,992
Reserves	(424,049)	(419,975)
Attributable to Owners of the Company	96,943	101,017
Non-controlling interests	8,088	7,952
Total Equity	105,031	108,969
Non-Current Liabilities		
Deferred taxation	135	135
Current Liabilities		
Trade and other payables	136,326	128,880
Amount due to contracts customers	-	221
Loans and borrowings	131,604	133,549
Tax payables	3,354	3,693
Total Current Liabilities	271,284	266,343
TOTAL LIABILITIES	271,419	266,478
EQUITY AND LIABILITIES	376,450	375,447
Net assets per share attributable to Owners of the Company (RM)	0.1861	0.1939

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Non-Distributable</u>			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
Current financial year							
Balance as at 1 February 2013	520,992	36,965	(458)	(456,482)	101,017	7,952	108,969
Total comprehensive income	-	-	(900)	(3,174)	(4,074)	136	(3,938)
Balance as at 30 April 2013	<u>520,992</u>	<u>36,965</u>	<u>(1,358)</u>	<u>(459,656)</u>	<u>96,943</u>	<u>8,088</u>	<u>105,031</u>
Preceding financial year							
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	-	-	-	-	-	(2,191)	(2,191)
Total comprehensive income	-	-	(5)	182	177	117	294
Balance as at 30 April 2012	<u>520,992</u>	<u>36,965</u>	<u>(2,429)</u>	<u>(430,341)</u>	<u>125,187</u>	<u>6,551</u>	<u>131,738</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 2013 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/04/2013 RM'000	3 months ended 30/04/2012 RM'000
OPERATING ACTIVITIES:		
(Loss)/profit before taxation:	(2,849)	534
Adjustment for :		
Share of results of associates	192	131
Depreciation of property, plant and equipment	51	83
Impairment loss on receivables no longer required		
- Third parties	-	(1,720)
Interest income	(365)	(693)
Interest expense	2,742	2,336
Gain on disposal of property, plant and equipment	-	(11)
Operating cash flows before changes in working capital	(229)	660
Changes in Working Capital:		
Inventories	160	(322)
Receivables	6,819	5,206
Payables	6,814	(426)
Balances with customers for contract works	(1,435)	-
Infrastructure development expenditure	(5,407)	-
Net cash flows from operations	6,722	5,118
Interest paid	(2,742)	(2,336)
Income tax paid	(528)	(355)
Net cash flows from operating activities	3,452	2,427

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/04/2013 RM'000	3 months ended 30/04/2012 RM'000
INVESTING ACTIVITIES		
Increase in infrastructure development expenditure	-	(1,339)
(Increase)/decrease in amount owing by associates	(878)	7,096
Interest received	365	693
Acquisition in subsidiary company	-	(1,256)
Proceeds from disposal of property, plant and equipment	-	11
Additions to property, plant and equipment	(8)	(19)
Net cash flows (used in)/used from investing activities	<u>(521)</u>	<u>5,186</u>
FINANCING ACTIVITIES		
Decrease in amount owing to associates	-	(2,585)
Decrease in amount owing to director	-	(2)
Repayment of borrowings	(1,986)	(4,054)
Net cash flows used in financing activities	<u>(1,986)</u>	<u>(6,641)</u>
Net increase in cash and cash equivalents	945	972
Cash and cash equivalents at beginning of financial period	3,074	1,028
Cash and cash equivalents at end of financial period	<u>4,019</u>	<u>2,000</u>
Note :		
Cash and cash equivalents at the end of the financial period comprise of :		
Cash and bank balances	5,416	4,165
Fixed deposits with licence bank	400	-
Bank overdrafts	(1,797)	(2,165)
	<u>4,019</u>	<u>2,000</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2013 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 have been prepared in accordance with Financial Reporting Standards (“FRS”) 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 2013 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 2013.

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 2013 except for the first-time adoption of MFRS Framework.

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the MFRS Framework. The MFRS framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called “Transitioning Entities”).

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 January 2015.

In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the applications of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively, against opening retained profits.

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A2. Accounting policies and methods of computation (continue)

The Group has 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

	Effective for the Financial period Beginning on or After
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (20120))	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosures of interest in Other Entities	1 January 2013
FRS 13 Fair Value Measurements	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Ventures	1 January 2013
Amendments to FRS 7: Disclosure - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interest in Other Entities: Translation Guidance	1 January 2013

NOTES TO CONDENSED FINANCIAL STATEMENTS

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.

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

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

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NOTES TO CONDENSED FINANCIAL STATEMENTS

A11. Contingent Liabilities

The Groups contingent liabilities are as follows:

	RM'000
(i) Corporate guarantees given to financial institutions/third parties for credit facilities granted to an associate.	52,200
(ii) A subsidiary was indebted to a bank which had on 7 September 2010 auctioned and disposed of a piece of land ("Land") belonging to Trinity Group which was used as the security for the borrowing. The Group is contingently liable to Trinity Group until all court proceedings have been fully exhausted.	33,700
Total	<u>85,900</u>

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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>2013</u> RM'000	<u>2012</u> RM'000	<u>Changes</u>		<u>2013</u> RM'000	<u>2012</u> RM'000	<u>Changes</u>	
		RM'000	%			RM'000	%	
Manufacturing and trading of industrial products	3,576	3,753	(177)	(5)	3,576	3,753	(177)	(5)
Construction	1,524	1,219	305	25	1,524	1,219	305	25
Investment holding, management services and leasing	-	-	-	-	-	-	-	-
	<u>5,100</u>	<u>4,972</u>	128	3	<u>5,100</u>	<u>4,972</u>	128	3

<u>(Loss)/Profit before tax</u>	<u>Current quarter</u>				<u>Cumulative quarters</u>			
	<u>2013</u> RM'000	<u>2012</u> RM'000	<u>Changes</u>		<u>2013</u> RM'000	<u>2012</u> RM'000	<u>Changes</u>	
		RM'000	%			RM'000	%	
Manufacturing and trading of industrial products	914	665	249	37	914	665	249	37
Construction	(62)	(117)	55	47	(62)	(117)	55	47
Investment holding, management services and leasing	(3,701)	(14)	(3,687)	26,336	(3,701)	(14)	(3,687)	26,336
	<u>(2,849)</u>	<u>534</u>	(3,383)	(634)	<u>(2,849)</u>	<u>534</u>	(3,383)	(634)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(b) Overall Results Commentary:

For the first quarter:

The Group recorded a revenue of RM5.10 million which is a increase of 3% compared with the revenue of RM4.97 million recorded in the preceding year quarter. The Group recorded a pre-tax loss of RM2.85 million, compared to a pre-tax profit of RM0.53 million recorded in the preceding year quarter mainly due to write back of provision for doubtful debt no longer required amounting to RM 1.72 million in the preceding year quarter.

(c) Segmental Results Commentary:

i) Manufacturing and trading of industrial products:

For the quarter/current year-to-date:

Revenue of the division decreased by 5% due to competitive market condition. However, pre-tax profit increased from RM0.66 million to RM0.91 million due to reduction in administration expenses during the current year quarter.

ii) Construction:

For the quarter/current year-to-date:

Revenue of the division increased by RM0.31 million due to an increase in the certification of works done. The pre-tax loss reduced from RM0.12 million to RM0.06 million mainly as a result of reduction in administration cost and increased revenue.

iii) Investment holding, Management Services and Leasing:

For the quarter/current year-to-date:

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

The Group recorded a pre-tax loss of RM3.70 million in the current year quarter as compared to a pre-tax loss of RM0.01 million in the preceding year quarter due to a reversal of provision for doubtful debt of RM1.72 million and other income of RM1.02 million in the preceding year quarter.

B2. Comparison with Preceding Quarter's Results

Overall:

For the current year quarter, the Group achieved a total revenue of RM5.10 million and pre-tax loss of RM2.85 million against revenue of RM4.36 million and pre-tax loss of RM12.67 million in the preceding quarter. The pre-tax loss reported in the current quarter is lower mainly due to provision for doubtful debt of RM7.14 million in the preceding quarter.

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B3. Prospects

- (a) West Coast Expressway Sdn. Bhd. (“WCE”), a 80% owned subsidiary of the Company signed the Concession Agreement with the Government of Malaysia on 2 January 2013. The concession involves the development of the west coast expressway from Banting in Selangor to Taiping in Perak with 233 km of toll highway (including 40 km of highway to be constructed later). The Project is a build-operate-transfer (BOT) project with a concession period up to a maximum of 60 years. WCE is in the process of securing fundings for the project.

Upon implementation of the west coast expressway project, the future financial position and earnings of the Company is expected to be enhanced.

- (b) RPSB launched the phase 1 of Bandar Baru Rimbayu in March 2013 through a balloting process where the response was overwhelming and the non-bumiputra units for this phase was fully sold-out. RPSB will be launching Phase 2 which will comprise of terrace houses with a larger built-up area in July or August 2013. This project will enhance the financial position and earnings of the Company in the near future.

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 30/04/2013 RM'000	Preceding Year Quarter 30/04/2012 RM'000	Current Year To-date 30/04/2013 RM'000	Preceding Year To-date 30/04/2012 RM'000
Income Tax				
- current year	189	235	189	235
- prior year	-	-	-	-
	<u>189</u>	<u>235</u>	<u>189</u>	<u>235</u>
Deferred Tax				
- current year	-	-	-	-
- prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>189</u>	<u>235</u>	<u>189</u>	<u>235</u>

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

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NOTES TO CONDENSED FINANCIAL STATEMENTS

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 30 April 2013 are as follows:

	RM'000
Short term borrowings	
- secured	113,281
- unsecured	18,323
Total borrowings	<u>131,604</u>

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 RM3,174,000 for the current year quarter by the number of ordinary shares in issue as at 30 April 2013 of 520,991,765 shares.

For the preceding year quarter the basic earnings per share is calculated by dividing the Group's net profit attributable to owners of RM182,000 for the current year quarter by the number of ordinary shares in issue as at 30 April 2012 of 520,991,765 shares.

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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.

B12. Realised and Unrealised Losses

	As at 30 April 2013 RM'000	As at 30 April 2012 RM'000
Accumulated losses of the Group and its subsidiaries:		
- Realised	(280,916)	(201,306)
- Unrealised	135	-
Associated companies:		
- Realised	(174,402)	(220,875)
- Unrealised	(4,473)	(8,160)
Total group accumulated losses	<u>(459,656)</u>	<u>(430,341)</u>

B13. Audit Report

The auditors' report of the financial statements for the year ended 31 January 2013 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 28 June 2013.

By order of the Board

Raw Koon Beng
Company Secretary