

**KUMPULAN EUROPLUS BERHAD (534368-A)**  
**Interim financial report for the first quarter ended 30 Sept 2014**  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2014 RM'000	PRECEDING YEAR QUARTER 30/9/2013 RM'000	CURRENT FINANCIAL YEAR 30/9/2014 RM'000	PRECEDING FINANCIAL YEAR 30/9/2013 RM'000
<b>Continuing Operations</b>				
Revenue	2,665	-	5,283	-
Cost of sales	(2,534)	-	(4,447)	-
Gross profit	131	-	836	-
Other income (N1)	7,907	-	45,728	-
Other expenses (N2)	(3,745)	-	(3,885)	-
Operating expenses	(1,215)	-	(2,098)	-
Finance cost	(2,031)	-	(4,412)	-
Share of results of associates	7,420	-	13,303	-
<b>Profit before tax</b>	<b>8,467</b>	<b>-</b>	<b>49,472</b>	<b>-</b>
Taxation	(14)	-	(1,520)	-
<b>Profit for the period</b>	<b>8,453</b>	<b>-</b>	<b>47,952</b>	<b>-</b>
Share of other comprehensive profit	-	-	-	-
<b>Total comprehensive profit</b>	<b>8,453</b>	<b>-</b>	<b>47,952</b>	<b>-</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company	8,344	-	47,679	-
Non-Controlling Interests	109	-	273	-
	<b>8,453</b>	<b>-</b>	<b>47,952</b>	<b>-</b>
<b>Total comprehensive profit attributable to:</b>				
Owners of the Company	8,344	-	47,679	-
Non-Controlling Interests	109	-	273	-
	<b>8,453</b>	<b>-</b>	<b>47,952</b>	<b>-</b>
<b>Earnings per share attributable to Owners of the Company :</b>				
- Basic (sen)	1.18	-	7.46	-
- Diluted (sen)	NA	-	NA	-

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INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR
30/9/2014	30/9/2013	30/9/2014	30/9/2013
RM'000	RM'000	RM'000	RM'000

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

**N1) Included in Other Income**

- Interest Income	392	-	734	-
- Reversal of provision for impairment on investment in associate	4,998	-	41,692	-

**N2) Included in Other Expenses**

- Loss on disposal of shares in associate	2,517	-	2,517	-
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\*As stated in A2 below, the company changed its financial year end to 31 March, hence there is no comparative numbers for the preceding period ended 30 Sept 2013.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30/9/2014</b>	<b>31/03/14</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	20,096	20,272
Infrastructure development expenditure	143,993	139,702
Investment in associates	27,273	105,424
Goodwill on consolidation	5,369	5,369
<b>Total Non-Current Assets</b>	<b>196,731</b>	<b>270,767</b>
<b>Current Assets</b>		
Inventories	2,116	1,562
Trade and other receivables	41,859	41,918
Amount due from contracts customers	188	181
Investment held for sale	109,043	-
Other investments	446,354	86,026
Deposits placed with licenced banks	2,350	4,155
Cash and bank balances	28,436	5,030
<b>Total Current Assets</b>	<b>630,346</b>	<b>138,872</b>
<b>TOTAL ASSETS</b>	<b>827,077</b>	<b>409,639</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,002,736	572,992
Reserves	(364,236)	(446,294)
Attributable to Owners of the Company	638,500	126,698
Non-controlling interests	41,865	41,592
<b>Total Equity</b>	<b>680,365</b>	<b>168,290</b>
<b>Non-Current Liabilities</b>		
Deferred taxation	244	244
<b>Current Liabilities</b>		
Trade and other payables	120,299	118,232
Loans and borrowings	25,324	122,253
Tax payables	845	620
<b>Total Current Liabilities</b>	<b>146,468</b>	<b>241,105</b>
<b>TOTAL LIABILITIES</b>	<b>146,712</b>	<b>241,349</b>
<b>EQUITY AND LIABILITIES</b>	<b>827,077</b>	<b>409,639</b>
Net assets per share attributable to Owners of the Company (RM)	0.6368	0.2211

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Non-Distributable</b>				<b>Accumulated Losses</b>	<b>Attributable to Owners of the Company</b>	<b>Non- Controlling Interests</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Foreign Exchange Reserve</b>	<b>Warrants Reserve</b>				
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Current financial year</b>								
Balance as at 1 April 2014	572,992	42,345	870	-	(489,509)	126,698	41,592	168,290
Rights issue with warrants	429,744	-	-	51,569	(17,190)	464,123	-	464,123
Total comprehensive income	-	-	-	-	47,679	47,679	273	47,952
Balance as at 30 Sept 2014	<u>1,002,736</u>	<u>42,345</u>	<u>870</u>	<u>51,569</u>	<u>(459,020)</u>	<u>638,500</u>	<u>41,865</u>	<u>680,365</u>

\*As stated in A2 below, the company changed its financial year end to 31 March, hence there is no comparative numbers for the preceding period ended 30 Sept 2013.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended 30/9/2014 RM'000</b>
<b>OPERATING ACTIVITIES:</b>	
Profit before taxation:	49,471
Adjustment for :	
Share of results of associates	(13,303)
Depreciation of property, plant and equipment	333
Reversal of impairment on an associate	(41,692)
Loss on disposal of investment in associate	2,517
Interest income	(734)
Interest expense	4,412
<b>Operating cash flows before changes     in working capital</b>	<u>1,004</u>
Changes in Working Capital:	
Inventories	(554)
Receivables	(238)
Payables	2,073
Balances with customers for contract works	(7)
Associate balances	834
Infrastructure development expenditure	<u>(4,291)</u>
<b>Net cash flows from operations</b>	(1,179)
Income tax paid	<u>(1,836)</u>
<b>Net cash flows from operating activities</b>	<u>(3,015)</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(cont'd)**

	<b>6 months ended 30/9/2014 RM'000</b>
<b>INVESTING ACTIVITIES</b>	
Disposal of investment in associates	21,586
Interest received	734
Additions to property, plant and equipment	<u>(157)</u>
<b>Net cash flow from investing activities</b>	<u>22,163</u>
<b>FINANCING ACTIVITIES</b>	
Interest paid	(4,412)
Short term investments	(360,329)
Proceeds from rights issue	464,123
Repayment of borrowings	<u>(97,025)</u>
<b>Net cash flows used in financing activities</b>	<u>2,357</u>
Net increase in cash and cash equivalents	21,505
Cash and cash equivalents at beginning of financial period	7,234
Cash and cash equivalents at end of financial period	<u><u>28,739</u></u>

**Note :**

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

Cash and bank balances	28,436
Fixed deposits with licence bank	2,350
Bank overdrafts	<u>(2,047)</u>
	<u><u>28,739</u></u>

\*As stated in A2 below, the company changed its financial year end to 31 March, hence there is no comparative numbers for the preceding period ended 30 Sept 2013.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 March 2014 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 March 2014 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 March 2014.

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

As announced on 29 January 2014, the Company changed its financial year end to 31 March. Accordingly, the first set of financial statements reflecting the change was made up from 1 February 2013 to 31 March 2014 covering a period of 14 months. Due to this change in accounting year end, there are no comparative numbers for the preceding year quarter ended 30 Sept 2014.

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 March 2014

- (a) **New and revised FRS, Amendments/Improvements to FRSs, New IC Interpretations, Amendments to IC Int and new MASB approved MFRSs that are issued, but not yet effective and have not been early adopted**

The Group and Company intend to adopt the following standards, where applicable, when they become effective. The adoption of the following standards is not expected to have a material effect on the financial statements :-

		<b>Effective for financial periods beginning on or after</b>
<u>New FRSs</u>		
FRS 9	Financial Instruments	To be announced by the MASB
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
FRS 2	Share-based Payment	1 July 2014
FRS 3	Business Combinations	1 July 2014
FRS 7	Financial Instruments: Disclosures	Applies when MFRS 9 is applied
FRS 8	Operating Segments	1 July 2014
FRS 9	Financial Instruments	To be announced by the MASB

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**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**A2. Accounting policies and methods of computation (cont'd)**

		<b>Effective for financial periods beginning on or after</b>
<u>Amendments/Improvements to FRSs</u>		
FRS 10	Consolidated Financial Statements	1 January 2014
FRS 12	Disclosure of Interests in Other Entities	1 January 2014
FRS 13	Fair Value Measurement	1 July 2014
FRS 116	Property, Plant and Equipment	1 July 2014
FRS 119	Employee Benefits	1 July 2014
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2014
FRS 136	Impairment of Assets	1 January 2014
FRS 138	Intangible Assets	1 July 2014
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
FRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
FRS 140	Investment Property	1 July 2014
<u>New IC Int</u>		
IC Int 21	Levies	1 January 2014

**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**

In the current quarter under review, the Group made a reversal of provision for impairment on investment in an associate amounting to RM5.00 million and incurred a loss on disposal of shares in as associate amounting to RM2.52 million. Save for the above, there were no unusual items that have material effects on the assets, liabilities, equity, net income, or cash flows for the current financial quarter.

**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.

**A6. Debt and Equity Securities**

In the current quarter under review, the Company issued 429,743,823 new ordinary share of RM1.00 each at an issue price of RM1.08 per share pursuant to a right issue of shares, together with 214,871,911 free detachable warrants. There were no other issuances, cancellations, repurchases, resale and repayments of debt or equity securities in the current quarter.

**A7. Dividend**

No dividend has been paid in the current financial year.



## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

### **A8. Segmental Results**

Segmental results are included in Note B1.

### **A9. Material Subsequent Events**

On 17 October 2014, the Company entered into a conditional share sale agreement (“SSA”) with Tan Sri Dato’ (Dr) Ir Chan Ah Chye @ Chan Chong Yoon for the disposal of 900,000,000 shares in the associate Talam Transform Berhad, at a cash consideration of approximately RM99.0 million. This SSA is subject to the approvals of the shareholders of the Company and the relevant authorities.

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

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

### **A11. Contingent Liabilities**

A subsidiary was indebted to a bank which had on 7 September 2010 auctioned and disposed of a piece of land belonging to TTB which was used as the security for the borrowing. TTB is taking legal action against the bank for the difference between the auction price and the market price. In the event TTB is unable to succeed in its claim, there may be a contingent liability not exceeding RM33.00 million.

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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**

	<b>Current quarter</b>				<b>Cumulative quarters</b>			
	<b>30/9/2014</b>	<b>30/9/2013</b>	<b>Changes</b>		<b>30/9/2014</b>	<b>30/9/2013</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b><u>Segmental Revenue</u></b>								
Manufacturing and trading of industrial products	2,286	-	2,286	N/A	4,834	-	4,834	N/A
Construction	379	-	379	N/A	449	-	449	N/A
Investment holding, management services and leasing	-	-	-	N/A	-	-	-	N/A
	<b>2,665</b>	<b>-</b>	<b>2,665</b>	<b>N/A</b>	<b>5,283</b>	<b>-</b>	<b>5,283</b>	<b>N/A</b>
<b><u>Profit/(Loss) before tax</u></b>								
Manufacturing and trading of industrial products	52	-	52	N/A	365	-	365	N/A
Construction	5	-	5	N/A	(16)	-	(16)	N/A
Investment holding, management services and leasing	8,410	-	8,410	N/A	49,123	-	49,123	N/A
	<b>8,467</b>	<b>-</b>	<b>8,467</b>	<b>N/A</b>	<b>49,472</b>	<b>-</b>	<b>49,472</b>	<b>N/A</b>

\* As stated in A2 above, the company changed its financial year end to 31 March, hence comparative quarterly segmental information is not available. Accordingly, the Company is also unable to provide commentary on its segmental results.

## **NOTES TO CONDENSED FINANCIAL STATEMENTS**

### **(b) Overall Results Commentary:**

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

The Group recorded revenue of RM2.67 million, derived mainly from the Company's manufacturing and trading of industrial products division

The Group recorded pre-tax profit of RM8.47 million due mainly to the reversal of provision for impairment on the Company's investment in an associate of RM5.00 million and a loss of RM2.52 million loss on the disposal of shares in an associate as disclosed in item A4 above.

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

The Group recorded revenue of RM5.28 million mainly derived from the Company's manufacturing and trading of industrial products division.

The Group recorded pre-tax profit of RM49.47 million due mainly to the reversal of provision for impairment on the Company's investment in an associate of RM41.69 million and a loss of RM2.52 million loss on the disposal of shares in an associate.

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

As stated in A2 above, the Company changed its financial year end to 31 March. Accordingly, the first set of financial statements reflecting the change was made up from 1 February 2013 to 31 March 2014 covering a period of 14 months. Due to this change in accounting year end, there are no comparative numbers for the preceding year and quarter ended 30 Sept 2014.

### **B3. Prospects**

- (a) West Coast Expressway Sdn Bhd ("WCESB") had on 2 January 2013 signed a Concession Agreement ("CA") with the Government in relation to the WCE Project. WCESB has received confirmation from the Government that it has fulfilled all conditions precedent in respect of the CA and the effective date is 20 December 2013. On 20 May 2014, the Company announced that it had received the approval from the Government to appoint a consortium comprising of IJM Construction Sdn Bhd. and Kumpulan Europlus Berhad (known as the "Consortium IJMC-Keuro") as the Turnkey/Engineering and Procurement Contractor for the construction of the WCE Project for a fixed sum contract not exceeding RM5,044 million.

The WCE Project involves the development of a 233 kilometres of tolled highway from Banting, Selangor to Taiping, Perak (including 40 kilometres of highway to be constructed later). The WCE Project is a build-operate-transfer project with a concession period of up to a maximum of 60 years.

On 25 May 2014, the Deputy Prime Minister of Malaysia officiated the ground breaking ceremony for the project in Teluk Intan, Perak. WCESB also received a letter from Lembaga Lebuhraya Malaysia confirming the Construction Commencement Date as 25 August 2014. Construction will take five years to completion. The project cost is approximately RM5,900 million and revenue from toll collections is expected to commence in 2018.

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**B3. Prospects (cont'd)**

(b) Bandar Rimbayu Sdn Bhd, a wholly-owned subsidiary of RPSB, is the developer of a township known as Bandar Rimbayu. Bandar Rimbayu is a 1,879-acre silver Green Building Index certified premier township development. It is located about three kilometres south of Kota Kemuning in Shah Alam, Selangor which is strategically located adjacent to matured neighbourhoods like Subang Jaya, USJ, Kemuning Utama, Puchong, Shah Alam and Klang.

Since its maiden launch in March 2013, Bandar Rimbayu has won many prestigious awards including the recent The Edge-PAM Green Excellence Award 2014, PAM Awards 2014 for Excellence in Architecture and Malaysian Institute of Interior Designers Gold Award for Bandar Rimbayu sales gallery.

As at end September 2014, Bandar Rimbayu has successfully launched three phases with the following take-up rates : 96% of Phase 1, 81% of Phase 2 and 100% of the first 40% of Phase 3 opened for sale so far.

(c) The Company will be participating in the construction of the WCE as the Government has approved the appointment of the consortium IJMC-KEURO as the Turnkey/Engineering and Procurement Contractor.

Barring any unforeseen circumstances, the Group expects the results for the current financial year ending 31 March 2015 to be satisfactory.

**B4. Profit Forecast and Guarantee**

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

**B5. Taxation**

	<b>Current Year Quarter 30/9/2014 RM'000</b>	<b>Current Year To-date 30/9/2014 RM'000</b>
Income Tax		
current year	14	94
prior year	-	1,426
	<hr/>	<hr/>
	14	1,520
Deferred Tax		
current year	-	-
prior year	-	-
	<hr/>	<hr/>
Total	14	1,520

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

**B6. Status of Corporate Proposals**

The Company is in the process of undertaking several corporate proposals as mentioned in item A9 above.

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**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B7. Group Borrowings and Debt Securities**

The Group's borrowings which are denominated in Ringgit Malaysia as at 30 Sept 2014 are as follows:

	<b>RM'000</b>
Short term borrowings	
- secured	25,323
- unsecured	1
Total borrowings	<u>25,324</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 as follows :

	<b>CURRENT YEAR QUARTER 30/9/2014</b>	<b>CURRENT FINANCIAL YEAR 30/9/2014</b>
Profit attributable to owners of the company (RM'000)	<u>8,344</u>	<u>47,679</u>
Weighted average number of ordinary shares ('000)	<u>705,221</u>	<u>639,106</u>
Basic earnings per share (sen)	<u>1.18</u>	<u>7.46</u>

**Diluted**

The diluted earnings per share assuming full conversion of the warrants is not presented as it is anti-dilutive due to the average market price of ordinary shares during the period being below the exercise price of the warrants.

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**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**B12. Realised and Unrealised Losses**

	<b>As at 30 SEP 2014 RM'000</b>
Accumulated losses of the Group and its subsidiaries	
- Realised	(459,678)
- Unrealised	658
	<u>(459,020)</u>

**B13. Audit Report**

The auditors' report of the financial statements for the year ended 31 March 2014 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 November 2014.

By order of the Board

Raw Koon Beng  
Company Secretary