

KUMPULAN EUROPLUS BERHAD (534368-A)
Interim financial report for the quarter ended 31 March 2015
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2015 RM'000	PRECEDING YEAR QUARTER 31/3/2014 RM'000	CURRENT FINANCIAL YEAR 31/3/2015 RM'000	PRECEDING FINANCIAL YEAR 31/3/2014 RM'000
Continuing Operations				
Revenue	16,340	-	23,382	-
Cost of sales	(16,144)	-	(22,231)	-
Gross profit	196	-	1,151	-
Other income (N1)	(18,749)	-	31,269	-
Other expenses (N2)	(8,411)	-	(12,401)	-
Operating expenses	154	-	(6,901)	-
Finance cost	(569)	-	(5,985)	-
Share of results of associates	3,119	-	33,089	-
(Loss)/profit before tax	(24,260)	-	40,222	-
Taxation	228	-	(1,537)	-
(Loss)/profit for the period	(24,032)	-	38,685	-
Share of other comprehensive loss	(1,399)	-	(1,399)	-
Total comprehensive (loss)/income	(25,431)	-	37,286	-
(Loss)/profit for the period attributable to:				
Owners of the Company	(24,232)	-	38,169	-
Non-Controlling Interests	200	-	516	-
	(24,032)	-	38,685	-
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company	(25,631)	-	36,770	-
Non-Controlling Interests	200	-	516	-
	(25,431)	-	37,286	-
(Loss)/earnings per share attributable to Owners of the Company :				
- Basic (sen)	(2.42)	-	4.65	-
- Diluted (sen)	NA	-	NA	-

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INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT FINANCIAL YEAR	PRECEDING FINANCIAL YEAR
31/3/2015	31/3/2014	31/3/2015	31/3/2014
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	33	-	952	-
- (Provision)/reversal of provision for impairment on investment in associate	(25,998)	-	15,685	-
- Distribution income	2,916	-	10,243	-
- Reversal of interest in settlement of borrowing	4,264	-	4,264	-

N2) Included in Other Expenses

- Loss on disposal of shares in associates	-	-	(2,483)	-
- Fair value gain/(loss) on unit trust investments	1,231	-	(242)	-
- Impairment of property, plant & equipment	(9,675)	-	(9,675)	-

*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 31 March 2014.

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

	UNAUDITED AS AT 31/3/2015 RM'000	AUDITED AS AT 31/03/2014 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	10,094	20,272
Goodwill on consolidation	5,369	5,369
Other intangible asset	158,471	139,702
Investment in associates	50,193	105,424
Total Non-Current Assets	224,127	270,767
Current Assets		
Inventories	2,133	1,562
Trade and other receivables	40,784	41,918
Amount due from contracts customers	-	181
Investment classified as held for sale	78,504	-
Other investments	398,254	86,026
Deposits placed with licenced banks	3,803	4,155
Cash and bank balances	7,471	5,030
Total Current Assets	530,949	138,872
TOTAL ASSETS	755,076	409,639
EQUITY AND LIABILITIES		
Share capital	1,002,736	572,992
Reserves	(379,922)	(446,294)
Attributable to Owners of the Company	622,814	126,698
Non-controlling interests	42,108	41,592
Total Equity	664,922	168,290
Non-Current Liabilities		
Deferred taxation	232	244
Current Liabilities		
Trade and other payables	83,042	118,232
Loans and borrowings	6,416	122,253
Tax payables	464	620
Total Current Liabilities	89,922	241,105
TOTAL LIABILITIES	90,154	241,349
EQUITY AND LIABILITIES	755,076	409,639
Net assets per share attributable to Owners of the Company (RM)	0.6211	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

	Non-Distributable				Accumulated Losses	Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Foreign Exchange Reserve	Warrants Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current financial year								
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	(21,967)	459,346	-	459,346
Total comprehensive income	-	-	(1,399)	-	38,169	36,770	516	37,286
Balance as at 31 March 2015	<u>1,002,736</u>	<u>42,345</u>	<u>(529)</u>	<u>51,569</u>	<u>(473,307)</u>	<u>622,814</u>	<u>42,108</u>	<u>664,922</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 31 March 2014.

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

	12 months ended 31/3/2015 RM'000
OPERATING ACTIVITIES:	
Profit before taxation:	40,222
Adjustment for :	
Share of results of associates	(33,089)
Depreciation of property, plant and equipment	682
Impairment of property, plant and equipment	9,675
Impairment loss on receivables	939
Reversal of impairment on an associate	(15,685)
Loss on disposal of investment in associate	2,483
Interest income	(952)
Interest expense	5,985
Operating cash flows before changes in working capital	<u>10,260</u>
Changes in Working Capital:	
Inventories	(571)
Receivables	588
Payables	(39,690)
Balances with customers for contract works	181
Associate balances	4,608
Infrastructure development expenditure	<u>(18,769)</u>
Net cash flows from operations	(43,393)
Income tax paid	<u>(2,207)</u>
Net cash flows from operating activities	<u>(45,600)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(cont'd)

	12 months ended 31/3/2015 RM'000
INVESTING ACTIVITIES	
Disposal of investment in associates	21,620
Interest received	952
Additions to property, plant and equipment	<u>(179)</u>
Net cash flow from investing activities	<u>22,393</u>
FINANCING ACTIVITIES	
Interest paid	(5,985)
Short term investments	(312,228)
Proceeds from rights issue with warrants	464,123
Repayment of borrowings	(116,025)
Defrayment of expenses relating to rights issue with warrants	<u>(4,777)</u>
Net cash flows used in financing activities	<u>25,108</u>
Net increase in cash and cash equivalents	1,901
Cash and cash equivalents at beginning of financial period	7,234
Cash and cash equivalents at end of financial period	<u><u>9,135</u></u>

Note :

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

Cash and bank balances	7,471
Fixed deposits with licence bank	3,803
Bank overdrafts	<u>(2,139)</u>
	<u><u>9,135</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 31 March 2015.

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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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 31 March 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 FRS, Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted

The Group 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 :-

		Effective for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2018
<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 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 8	Operating Segments	1 July 2014
FRS 10	Consolidated Financial Statements	1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interests in Other Entities	1 January 2016

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

<u>Amendments/Improvements to FRSs</u>		Effective for financial periods beginning on or after
FRS 13	Fair Value Measurement	1 July 2014
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 July 2014/1 Jan 2016
FRS 119	Employee Benefits	1 July 2014/1 Jan 2016
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	1 January 2016
FRS 138	Intangible Assets	1 July 2014/1 Jan 2016
FRS 140	Investment Property	1 July 2014

The Group adopts the intangible asset model as defined in IC Interpretation 12 in respect of the ongoing construction of the highway project. Income and expenses associated with the said construction are recognised based on the percentage of completion method. The estimated margin is based on relative comparison with general industry trend.

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 in 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 September 2014, the Company issued 429,743,823 new ordinary shares 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.

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NOTES TO CONDENSED FINANCIAL STATEMENTS

A8. Segmental Results

Segmental results are included in Note B1.

A9. Material Subsequent Events

There were no material subsequent event for the current quarter under review.

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

	Current quarter				Cumulative quarters			
	31/3/2015	31/3/2014	Changes		31/3/2015	31/3/2014	Changes	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
<u>Segmental Revenue</u>								
Manufacturing and trading of industrial products	1,582	-	1,582	N/A	8,175	-	8,175	N/A
Construction	14,758	-	14,758	N/A	15,207	-	15,207	N/A
Investment holding, management services and leasing	-	-	-	N/A	-	-	-	N/A
	<u>16,340</u>	<u>-</u>	<u>16,340</u>	<u>N/A</u>	<u>23,382</u>	<u>-</u>	<u>23,382</u>	<u>N/A</u>
<u>Profit/(Loss) before tax</u>								
Manufacturing and trading of industrial products	(505)	-	(505)	N/A	(226)	-	(226)	N/A
Construction	(1,502)	-	(1,502)	N/A	(1,520)	-	(1,520)	N/A
Investment holding, management services and leasing	(22,253)	-	(22,253)	N/A	41,968	-	41,968	N/A
	<u>(24,260)</u>	<u>-</u>	<u>(24,260)</u>	<u>N/A</u>	<u>40,222</u>	<u>-</u>	<u>40,222</u>	<u>N/A</u>

* 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 RM16.34 million, derived from the Company's manufacturing and trading of industrial products division and from construction services for the highway project.

The Group recorded pre-tax loss of RM24.26 million due mainly to the provision for impairment on investment in an associate amounting to RM26.00 million and impairment on property, plant and equipment amounting to RM9.67 million.

For year-to-date:

The Group recorded revenue of RM23.38 million, derived from the Company's manufacturing and trading of industrial products division and from construction services for the highway project.

The Group recorded pre-tax profit of RM40.22 million due mainly to the share of results of associates of RM33.09 million, distribution income of RM10.24 million from investment in unit trusts and an overall gain from a net reversal of provision for impairment in an associate of RM15.68 million. This was offset by a RM2.48 million loss incurred on the disposal of shares in an associate and an impairment loss of RM9.67 million on property, plant and equipment.

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 31 March 2014.

B3. Prospects

- (a) The West Coast Expressway (WCE) Project involves the development of a 233 kilometres 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. The Construction Commencement Date was set on 25 August 2014 and will take five years to complete. The total project cost is approximately RM5,900 million and revenue from toll collections is expected to commence in 2018.

West Coast Expressway Sdn Bhd had on 11 December 2014 issued a Letter of Award appointing a consortium comprising IJM Construction Sdn Bhd and Kumpulan Europlus Sdn Bhd (the IJMC-KEB Joint Venture) as the Turnkey/Engineering and Procurement Contractor for the WCE highway project.

- (b) Bandar Rimbayu Sdn Bhd, a wholly-owned subsidiary of Radiant Pillar Sdn Bhd, is the developer of a township known as Bandar Rimbayu. As at end March 2015, Bandar Rimbayu has successfully launched five residential phases with the following take-up rates : 98% of Phase 1, 85% of Phase 2, 44% of Phase 3, 51% of Phase 4 and 17% of Phase 5.

Phase 1 comprising, 526 units of terrace houses was successfully completed slightly ahead of schedule and handed over to purchasers in March 2015.

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B3. Prospects (cont'd)

(c) The Company will be participating in the construction of the WCE as the IJMC-KEB Joint Venture has been appointed as the Turnkey/Engineering and Procurement Contractor for the WCE highway project.

Barring any unforeseen circumstances, the Group expects the results for the current financial year ending 31 March 2016 to be satisfactory.

B4. Profit Forecast and Guarantee

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

B5. Taxation

	Current Year Quarter 31/3/2015 RM'000	Current Year To-date 31/3/2015 RM'000
Income Tax		
current year	(1,313)	(1,407)
prior year	1,530	(141)
	<u>217</u>	<u>(1,548)</u>
Deferred Tax		
current year	(7)	(7)
prior year	18	18
Total	<u><u>228</u></u>	<u><u>(1,537)</u></u>

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

B6. Status of Corporate Proposals

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.

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B7. Group Borrowings and Debt Securities

The Group's borrowings which are denominated in Ringgit Malaysia as at 31 Mar 2015 are as follows:

	RM'000
Short term borrowings	
- secured	6,415
- unsecured	1
Total borrowings	<u>6,416</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 :

	CURRENT YEAR QUARTER 31/3/2015	CURRENT FINANCIAL YEAR 31/3/2015
Profit attributable to owners of the company (RM'000)	<u>(24,232)</u>	<u>38,169</u>
Weighted average number of ordinary shares ('000)	<u>1,002,736</u>	<u>820,921</u>
Basic earnings per share (sen)	<u>(2.42)</u>	<u>4.65</u>

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B11. Earnings Per Share (cont'd)

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.

B12. Realised and Unrealised Losses

	As at 31 Mar 2015 RM'000
Accumulated losses of the Group and its subsidiaries	
- Realised	(472,833)
- Unrealised	<u>(474)</u>
	<u><u>(473,307)</u></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 25 May 2015.

By order of the Board

Raw Koon Beng
Company Secretary