

KUMPULAN EUROPLUS BERHAD (534368-A)**Interim financial report for the year ended January 31, 2008**

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/1/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/1/2007 RM'000	CURRENT YEAR TO-DATE 31/1/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/1/2007 RM'000
Revenue	41,129	12,069	58,524	38,787
Cost of sales	(34,970)	(10,431)	(48,813)	(34,698)
Gross profit	6,159	1,638	9,711	4,089
Other operating income	3,060	(13,549)	7,501	15,145
Operating expenses	(13,423)	(4,264)	(40,438)	(16,654)
Finance cost	(366)	(3,749)	(10,426)	(14,148)
Share of results of associates	140	21,923	8,792	(100,142)
(Loss)/profit before tax	(4,430)	1,999	(24,860)	(111,710)
Income tax credit/(expenses)	454	82	92	(382)
(Loss)/profit for the period	(3,976)	2,081	(24,768)	(112,092)
Attributable to:				
Equity holders of the Company	(4,594)	2,720	(24,868)	(111,378)
Minority interest	618	(639)	100	(714)
	(3,976)	2,081	(24,768)	(112,092)
	-	-	-	-
(Loss)/profit per share attributable to equity holders of the Company :				
- Basic (sen)	(1.0)	0.6	(5.2)	(23.5)
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended January 31, 2007 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT CURRENT QUARTER ENDED 31/1/2008 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31/1/2007 RM '000
ASSETS		
Non-Current Assets		
Property, plant and equipment	23,793	18,529
Prepaid lease payments	13,158	12,871
Infrastructure development expenditure	54,004	57,510
Investment in associates	149,808	141,408
Goodwill on consolidation	10,396	10,396
Total Non-Current Assets	251,159	240,714
Current Assets		
Inventories	3,073	1,590
Trade receivables	120,147	121,510
Other receivables and prepaid expenses	88,046	92,354
Amount due from contract customers	545	4,666
Cash and bank balances	6,549	797
Total Current Assets	218,360	220,917
TOTAL ASSETS	469,519	461,631
EQUITY AND LIABILITIES		
Share capital	473,692	473,692
Reserves	(354,828)	(330,090)
Equity attributable to equity holders of the Company	118,864	143,602
Minority Interest	9,812	9,712
Total Equity	128,676	153,314
Non-Current Liabilities		
Hire purchase payables	68	92
Bank borrowings	39,965	55,029
Deferred tax liabilities	291	379
Total Non-Current Liabilities	40,324	55,500
Current Liabilities		
Trade payables	41,598	40,271
Other payables and accrued expenses	32,336	72,024
Hire purchase payables	21	21
Bank borrowings	224,501	138,587
Tax liabilities	2,063	1,914
Total Current Liabilities	300,519	252,817
TOTAL LIABILITIES	340,843	308,317
EQUITY AND LIABILITIES	469,519	461,631
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.2509	0.3032

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended January 31, 2007 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Non-Distributable Reserves		Distributable Reserves/ Accumulated Losses	Attributable to Equity Holders of the Company	Minority Interest	Total Equity
	RM'000	Share Premium RM'000	Other Reserve RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended January 31, 2008							
Balance as at February 1, 2007	473,692	26,560	-	(356,650)	143,602	9,712	153,314
Share of associates reserve	-	-	130	-	130	-	130
Loss for the year	-	-	-	(24,868)	(24,868)	100	(24,768)
Balance as at January 31, 2008	473,692	26,560	130	(381,518)	118,864	9,812	128,676
12 months ended January 31, 2007							
Balance as at February 1, 2006	473,692	26,560	-	(271,457)	228,795	10,426	239,221
Effects of adopting FRS 3	-	-	-	26,185	26,185	-	26,185
	473,692	26,560	-	(245,272)	254,980	10,426	265,406
Loss for the year	-	-	-	(111,378)	(111,378)	(714)	(112,092)
Balance as at January 31, 2007	473,692	26,560	-	(356,650)	143,602	9,712	153,314

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended January 31, 2007 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended 31/1/2008 RM'000	12 months ended 31/1/2007 RM'000
Net cash (used in)/from operating activities	(60,969)	79,445
Net cash used in investing activities	(6,493)	(59,661)
Net cash flows from/(used in) financing activities	68,556	(18,922)
Net increase in cash and cash equivalents	<u>1,094</u>	<u>862</u>
Cash and cash equivalents at beginning of financial year	(17,005)	(17,867)
Cash and cash equivalents at end of financial year	<u><u>(15,911)</u></u>	<u><u>(17,005)</u></u>

Note :

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

Cash and bank balances	3,348	723
Fixed deposits	3,201	73
Bank overdrafts	<u>(19,258)</u>	<u>(17,728)</u>
	(12,709)	(16,932)
Less: Fixed deposits pledged to banks	<u>(3,201)</u>	<u>(73)</u>
	<u><u>(15,910)</u></u>	<u><u>(17,005)</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended January 31, 2007 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 January 31, 2007.

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 January 31, 2007.

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 January 31, 2007.

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 except for the share of additional profit amounting to RM7.7 million in respect of the restatement of previous years' results of an associate.

A5. Material Changes in Estimates

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

A6. Debt and Equity Securities

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

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NOTES TO CONDENSED FINANCIAL STATEMENT

A7. Dividend

The Directors do not recommend the payment of any dividend for the current financial year.

A8. Segment Information

The Group's segmental report for the current financial year 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	9,531	18,209	30,784	58,524
Inter-segment sales	-	-	-	-
Total sales	<u>9,531</u>	<u>18,209</u>	<u>30,784</u>	<u>58,524</u>
<u>Results</u>				
Segment results	(21,238)	(3,941)	1,921	(23,258)
Interest income				32
Finance cost				(10,426)
Share of results of associates				8,792
Loss before tax				<u>(24,860)</u>
Income tax expenses				<u>92</u>
Loss for the year				<u>(24,768)</u>

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 interim period that have not been reflected in the financial statements for the interim period.

NOTES TO CONDENSED FINANCIAL STATEMENT

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.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

The Group's revenue increased substantially in the current quarter to RM41.1 million as compared to the corresponding quarter in the preceding year of RM12.1 million. The increase in revenue in the current quarter was mainly attributable to the higher billing from construction, sand mining and project management activities. However, the Group recorded a loss before tax of RM4.4 million in the current quarter compared with a profit before tax of RM2.0 million in the preceding year corresponding quarter mainly due to additional provision for doubtful receivables of RM12.1 million made in the current quarter.

The Group's revenue in the current financial year for the 12 months ended January 31, 2008 increased by 51% as compared to the preceding year mainly due to the higher billing from construction, sand mining and project management activities. The Group recorded lower loss before tax of RM24.9 million in the current financial year for the 12 months ended January 31, 2008, compared with higher loss before tax of RM111.7 million in the preceding year. The higher loss before tax in the preceding year was due mainly to the Group's share of additional losses in an associate amounting to RM100.6 million. The current year losses for the 12 months ended January 31, 2008 was mainly a result of provision made for doubtful receivables amounting to RM31.1 million.

B2. Comparison with Preceding Quarter's Results

For the current quarter, the Group's revenue increased to RM41.1 million, compared with RM6.7 million in the preceding quarter. The increase in revenue for the Group was attributable mainly to the higher billing from construction, sand mining and project management activities. The Group recorded a loss before tax of RM4.4 million in the current quarter, compared with a profit before tax of RM0.3 million in the preceding quarter. The profit before tax recorded in the previous quarter was due mainly to the restatement of previous years' results of an associate which give rise to a profit of RM7.7 million to the Group. This is also referred to in A4 above.

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NOTES TO CONDENSED FINANCIAL STATEMENT

B3. Prospects

Infrastructure work at Canal City project has commenced towards the end of 2007 and the Group expects its share of revenue from construction and sand mining to increase in financial year ending January 31, 2009.

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. Construction work is only expected to commence towards the beginning of 2009.

The Group's 42.88% - associate, Talam Corporation Berhad (TCB) is still awaiting the approval from the Securities Commission for its proposed regularisation scheme. Once implemented, the Group expects TCB to contribute positively to its results.

B4. Profit Forecast and Guarantee

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

B5. Income Tax Credit/(expenses)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/1/2008	31/1/2007	31/1/2008	31/1/2007
	RM'000	RM'000	RM'000	RM'000
Income Tax				
- Current year	362	313	-	(163)
- prior year	91	(231)	91	(219)
Credit/(expense)	<u>453</u>	<u>82</u>	<u>91</u>	<u>(382)</u>

The tax credit arose from tax refund in respect of the Company.

B6. Disposal of Unquoted Investments and/or Properties

There were no profits/(losses) derived from the sale of unquoted investments and/or properties for the current quarter and financial year..

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NOTES TO CONDENSED FINANCIAL STATEMENT

B7. Purchase or Disposal of Quoted Securities

The Group's dealing in quoted securities for the current quarter and financial year are as follows :

	Current Year Quarter 31/1/2008 RM'000	Current Year-To- Date 31/1/2008 RM'000
Total sale proceeds	-	274
Total profit/(loss) on disposal	-	(248)

The Group's investment in quoted securities as at end of the reporting period are as follows :

	As at 31/1/2008 RM'000
At cost	396,163
At carrying value	149,808
At market value	70,154

B8. Status of Corporate Proposals

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

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NOTES TO CONDENSED FINANCIAL STATEMENT

B9. Group Borrowings and Debt Securities

The Group's borrowings and debt securities which are denominated in Ringgit Malaysia as at January 31, 2008 are as follows:

	RM'000
Short term borrowings	
- secured	183,776
- unsecured	40,725
	<hr/> <u>224,501</u>
Long term borrowings	
- secured	39,663
- unsecured	302
	<hr/> <u>39,965</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..

B12. Profit/(loss) Per Share

Basic

The basic profit/(loss) per share is calculated by dividing the Group's net profit/(loss) for the current quarter and financial year by the number of ordinary shares in issue as at January 31, 2008 of 473,691,765 shares (January 31, 2007 : 473,691,765 shares).

Diluted

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

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NOTES TO CONDENSED FINANCIAL STATEMENT

B13. Audit Report on Preceding Annual Financial Statements

The auditors' report of the financial statements for the year ended January 31, 2007 was adopted on May 29, 2007 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 March 26, 2008.

By order of the Board

Leow Chi Lih
Company Secretary