

KUMPULAN EUROPLUS BERHAD (534368-A)**Interim financial report for the first quarter ended 30 April 2008**

(The figures have not been audited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/4/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/4/2007 RM'000	CURRENT YEAR TO-DATE 30/4/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/4/2007 RM'000
Revenue	14,759	5,123	14,759	5,123
Cost of sales	(13,111)	(4,359)	(13,111)	(4,359)
Gross profit	1,648	764	1,648	764
Other operating income	5,536	4,437	5,536	4,437
Operating expenses	(2,027)	(18,647)	(2,027)	(18,647)
Finance cost	(5,097)	(2,062)	(5,097)	(2,062)
Share of results of associates	2,814	477	2,814	477
Profit/(loss) before tax	2,874	(15,031)	2,874	(15,031)
Income tax expenses	-	-	-	-
Profit/(loss) for the period	2,874	(15,031)	2,874	(15,031)
Attributable to:				
Equity holders of the Company	2,837	(14,891)	2,837	(14,891)
Minority interest	37	(140)	37	(140)
	2,874	(15,031)	2,874	(15,031)
	-	-	-	-
Profit/(loss) per share attributable to equity holders of the Company :				
- Basic (sen)	0.6	(3.1)	0.6	(3.1)
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 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 30/4/2008 RM '000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31/1/2008 RM '000
ASSETS		
Non-Current Assets		
Property, plant and equipment	17,717	17,919
Leasehold land	19,522	19,607
Infrastructure development expenditure	58,011	54,006
Investment in associates	149,666	149,808
Goodwill on consolidation	10,374	10,374
Total Non-Current Assets	255,290	251,714
Current Assets		
Inventories	2,599	3,072
Trade receivables	93,728	95,577
Other receivables and prepaid expenses	114,105	109,114
Cash and bank balances	6,041	6,071
Total Current Assets	216,473	213,834
TOTAL ASSETS	471,763	465,548
EQUITY AND LIABILITIES		
Share capital	473,692	473,692
Reserves	(355,032)	(354,913)
Equity attributable to equity holders of the Company	118,660	118,779
Minority Interest	9,849	9,812
Total Equity	128,509	128,591
Non-Current Liabilities		
Hire purchase payables	63	68
Bank borrowings	30,553	30,553
Deferred tax liabilities	291	291
Total Non-Current Liabilities	30,907	30,912
Current Liabilities		
Trade payables	28,887	32,629
Other payables and accrued expenses	48,351	38,580
Hire purchase payables	21	23
Bank borrowings	233,124	232,750
Tax liabilities	1,964	2,063
Total Current Liabilities	312,347	306,045
TOTAL LIABILITIES	343,254	336,957
EQUITY AND LIABILITIES	471,763	465,548
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.2505	0.2508

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Non-Distributable Reserves		Accumulated Loss RM'000	Attributable to Equity Holders of the Company RM'000	Minority Interest RM'000	Total Equity RM'000
		Share Premium RM'000	Other Reserve RM'000				
3 months ended 30 April 2008							
Balance as at 1 February 2008	473,692	26,560	-	(381,473)	118,779	9,812	128,591
Share of associates reserve	-	-	(2,956)	-	(2,956)	-	(2,956)
Profit for the year	-	-	-	2,837	2,837	37	2,874
Balance as at 30 April 2008	473,692	26,560	(2,956)	(378,636)	118,660	9,849	128,509
3 months ended 30 April 2007							
Balance as at 1 February 2007	473,692	26,560	-	(356,650)	143,602	9,712	153,314
Share of associates reserve	-	-	450	-	450	-	450
Loss for the year	-	-	-	(14,891)	(14,891)	(140)	(15,031)
Balance as at 30 April 2007	473,692	26,560	450	(371,541)	129,161	9,572	138,733

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended 30/4/2008 RM'000	3 months ended 30/4/2007 RM'000
Net cash from operating activities	1,103	9,832
Net cash used in investing activities	(747)	(10,964)
Net cash flows from/(used in) financing activities	184	(3,016)
Net increase/(decrease) in cash and cash equivalents	<u>540</u>	<u>(4,148)</u>
Cash and cash equivalents at beginning of financial year	(14,799)	(17,005)
Cash and cash equivalents at end of financial year	<u><u>(14,259)</u></u>	<u><u>(21,153)</u></u>

Note :

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

Cash and bank balances	4,496	828
Fixed deposits	1,544	74
Bank overdrafts	<u>(18,755)</u>	<u>(21,981)</u>
	(12,715)	(21,079)
Less: Fixed deposits pledged to banks	<u>(1,544)</u>	<u>(74)</u>
	<u><u>(14,259)</u></u>	<u><u>(21,153)</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 January 2008 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 31 January 2008.

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 31 January 2008.

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 31 January 2008.

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.

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 quarter and 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	6,885	7,000	874	14,759
Inter-segment sales	-	-	-	-
Total sales	<u>6,885</u>	<u>7,000</u>	<u>874</u>	<u>14,759</u>
<u>Results</u>				
Segment results	256	173	2,206	2,635
Interest income				2,522
Finance cost				(5,097)
Share of results of associates				2,814
Profit before tax				<u>2,874</u>
Income tax expenses				<u>-</u>
Profit for the year				<u><u>2,874</u></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.

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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

For the current quarter and financial year for the 3 months ended 30 April 2008, the Group achieved a revenue of RM14.8 million and a profit before tax of RM2.9 million. The Group's revenue increased as compared to the corresponding quarter in the preceding year of RM5.1 million mainly attributable to the higher billing from construction, sand mining and manufacturing division. The Group recorded a profit before tax of RM2.9 million in the current quarter mainly due to the write back of provision for doubtful receivable no longer required, interest income charged and increased in share of profits of associates.

B2. Comparison with Preceding Quarter's Results

For the current quarter, the Group's revenue reduced to RM14.8 million, compared with RM41.1 million in the preceding quarter. High revenue achieved in the preceding quarter was attributable mainly to the billing from construction works that have reached completion stage and a one-off billing for project management activities. The Group recorded a profit before tax of RM2.9 million in the current quarter, compared with a loss before tax of RM4.4 million in the preceding quarter. The profit before tax recorded in the current quarter is mainly attributable to the same reasons as mentioned in Note B1 above.

B3. Prospects

Construction and the related works at Canal City project have 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 31 January 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 expected to commence in the year 2009 upon securing the necessary funding.

The Group's 42.94% - associate, Talam Corporation Berhad (TCB) has received approval from the Securities Commission on its proposed regularisation plan on 29 April 2008. The completion of the implementation is targeted at the end of year 2008. Once implemented, TCB is expected to significantly improve its capital structure and gearing position to a much stronger financial position and contribute positively to the Group results. The future prospect of the Group depends on the successful implementation of Canal City and West Coast Expressway.

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NOTES TO CONDENSED FINANCIAL STATEMENT

B4. Profit Forecast and Guarantee

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

B5. Income Tax Expenses

There were no tax effect for the current quarter and financial year due to tax losses incurred by companies of the Group.

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.

B7. Purchase or Disposal of Quoted Securities

There were no dealing in quoted securities for the current quarter and financial year.

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 30 April 2008 are as follows:

	RM'000
Short term borrowings	
- secured	104,520
- unsecured	128,604
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	233,124
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Long term borrowings	
- secured	30,553
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	263,677
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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 30 April 2008 of 473,691,765 shares (30 April 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.

B13. Audit Report on Preceding Annual Financial Statements

The auditors' report of the financial statements for the year ended 31 January 2008 was adopted on 29 May 2008 and was not subject to any qualification.

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NOTES TO CONDENSED FINANCIAL STATEMENT

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 June 2008.

By order of the Board

Leow Chi Lih
Company Secretary