

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2016**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/6/2016 RM'000	Preceding Year Corresponding Quarter 30/6/2015 RM'000	Current Year To Date 30/6/2016 RM'000	Preceding Year Corresponding Period 30/6/2015 RM'000
<b>Continuing Operations:</b>				
Revenue	23,830	20,679	47,781	45,874
Cost of sales	(16,174)	(14,178)	(33,218)	(31,877)
Gross profit	<u>7,656</u>	<u>6,501</u>	<u>14,563</u>	<u>13,997</u>
Other income	93	214	730	501
Operating expenses	(5,445)	(5,716)	(11,602)	(11,952)
Finance costs	(505)	(481)	(955)	(950)
<b>Profit before taxation</b>	<u>1,799</u>	<u>518</u>	<u>2,736</u>	<u>1,596</u>
Taxation	(272)	(130)	(755)	(411)
<b>Profit for the period</b>	<u>1,527</u>	<u>388</u>	<u>1,981</u>	<u>1,185</u>
Other comprehensive income ("OCI")	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><u>1,527</u></u>	<u><u>388</u></u>	<u><u>1,981</u></u>	<u><u>1,185</u></u>
<b>Attributable to:</b>				
Owners of the Company	1,407	315	1,740	1,081
Non-controlling interest	120	73	241	104
	<u>1,527</u>	<u>388</u>	<u>1,981</u>	<u>1,185</u>
<b>Earnings per share</b>				
- Earnings per share (sen)*	<u>0.58</u>	<u>0.13</u>	<u>0.72</u>	<u>0.44</u>

Notes:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

\* Number of shares was adjusted to 243,000,000 following the bonus issue of 162,000,000 new Euro Shares on the basis of two (2) bonus shares for every one (1) existing Euro Share held, completed on 9 September 2015.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

(The figures have not been audited)

	(Unaudited) As At End of Current Period 30/6/2016 RM'000	(Audited) As At End of Preceding Financial Year 31/12/2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	54,151	56,458
Deferred taxation	703	703
	<u>54,854</u>	<u>57,161</u>
<b>Current assets</b>		
Property development cost	36,338	21,880
Inventories	15,389	15,270
Trade receivables	22,372	25,176
Other receivables, deposits and prepayments	1,865	1,462
Tax recoverable	-	469
Fixed deposit	1,443	1,266
Forward exchange contracts	197	69
Short term funds	130	129
Cash and bank balances	7,077	3,635
	<u>84,811</u>	<u>69,356</u>
<b>TOTAL ASSETS</b>	<b><u>139,665</u></b>	<b><u>126,517</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	24,300	24,300
Share Premium	19,728	19,728
Retained Earnings	28,312	26,572
	<u>72,340</u>	<u>70,600</u>
Non-controlling interest	730	489
<b>Total equity</b>	<u>73,070</u>	<u>71,089</u>
<b>Non-current liabilities</b>		
Term loans	23,335	11,620
Hire purchase payables	938	1,439
	<u>24,273</u>	<u>13,059</u>
<b>Current liabilities</b>		
Trade payables	13,642	10,098
Other payables and accruals	12,908	15,207
Amount due to director	4	37
Bank overdrafts	3,730	8,415
Bills payable	8,959	5,515
Hire purchase payables	1,311	1,518
Term loans	1,525	1,579
Provision for taxation	243	-
	<u>42,322</u>	<u>42,369</u>
<b>Total liabilities</b>	<u>66,595</u>	<u>55,428</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>139,665</u></b>	<b><u>126,517</u></b>
Net Assets Per Share (RM)	0.30	0.29

Notes:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

(The figures have not been audited)

	<b>/--Attributable to Equity Holders of the Company--/</b>			<b>Total</b>	<b>Non- Controlling Interest</b>	<b>Total Equity</b>
	<b>/---Non-distributable---/</b>	<b>Distributable</b>				
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</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>At 1 January 2016</b>	24,300	19,728	26,572	70,600	489	71,089
Total comprehensive income for the period	-	-	1,740	1,740	241	1,981
<b>At 30 June 2016</b>	<u>24,300</u>	<u>19,728</u>	<u>28,312</u>	<u>72,340</u>	<u>730</u>	<u>73,070</u>
<b>At 1 January 2015</b>	40,500	3,844	24,425	68,769	104	68,873
Total comprehensive income for the period	-	-	1,081	1,081	104	1,185
<b>At 30 June 2015</b>	<u>40,500</u>	<u>3,844</u>	<u>25,506</u>	<u>69,850</u>	<u>208</u>	<u>70,058</u>

Notes:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016**  
(The figures have not been audited)

	Current Year Period ended 30/6/2016 RM'000	Preceding Year Period ended 30/6/2015 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,736	1,596
Non-cash items	2,514	2,714
Non-operating items	816	513
Operating profit before working capital changes	<u>6,066</u>	<u>4,823</u>
Inventories	(119)	667
Property development costs	(14,459)	-
Trade and other receivables	2,508	(528)
Trade and other payables	4,419	(430)
Cash generated from operations	<u>(1,585)</u>	<u>4,532</u>
Land held for development	-	(3,768)
Tax paid	(362)	(373)
Tax refund	320	369
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<u>(1,627)</u>	<u>760</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(125)	(334)
Interest received	24	18
Proceeds from disposal of property, plant and equipment	-	26
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(101)</u>	<u>(290)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged	(177)	(172)
Interest paid	(838)	(850)
Repayment of hire purchase payables	(790)	(811)
Net drawdown/(repayment) of term loans	11,661	(601)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>9,856</u>	<u>(2,434)</u>
Net (decrease)/increase in cash and cash equivalents	8,128	(1,964)
Cash and cash equivalents at beginning of the financial period	<u>(4,651)</u>	<u>(2,053)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*</b>	<u>3,477</u>	<u>(4,017)</u>

\*Cash and cash equivalents at the end of the financial period comprised the following:

Bank overdrafts	(3,730)	(9,737)
Cash and bank balances	7,077	5,593
Fixed deposits	1,443	1,074
Short term funds	130	127
	<u>4,920</u>	<u>(2,943)</u>
Less: Fixed deposits pledged to a bank for credit facilities	<u>(1,443)</u>	<u>(1,074)</u>
	<u>3,477</u>	<u>(4,017)</u>

Notes:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.



## **EURO HOLDINGS BERHAD**

(Company No. 646559-T)

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2016**

#### **A1. Basis of preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Paragraph 9.22 of the Main Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting. The condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The 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 financial year ended 31 December 2015. The condensed consolidated interim financial statements and notes thereon however do not include all of the information required for a full set of financial statements prepared in accordance with MFRSs and should be read in conjunction with the annual consolidated financial statements of the Company for the financial year ended 31 December 2015.

#### **A2. Significant Accounting**

The significant accounting policies, methods of computation and basis of consolidation applied in the unaudited condensed consolidated interim financial statements are consistent with those adopted in the annual audited financial statements of the Group for the financial year ended 31 December 2015, except for the adoption of the MFRSs, amendments and interpretations which are effective from the annual period beginning 1 January 2016.

The adoption of the MFRSs, amendments and interpretations did not have any significant impact to the financial statements of the Group.

#### **A3. Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31 December 2015 was not qualified.

#### **A4. Seasonal and Cyclical Factors**

The Group's operations were not materially affected by seasonal or cyclical factors during the financial period under review.

#### **A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and period ended 30 June 2016.

#### **A6. Material Changes in Estimates of Amounts Reported**

There were no material changes in accounting estimates that have a material effect in the current quarter under review and financial period to date.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2016****A7. Changes in Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities for the current quarter and period ended 30 June 2016.

**A8. Dividends Paid**

No dividends were paid by the Company in the current quarter and period ended 30 June 2016.

**A9. Segmental Reporting**

For the financial period ended 30 June 2016, the Group's financial information is analysed by operating segments as follows:

**Financial period ended 30 June 2016:**

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
Local	9,442	-	-	-	9,442
Exports	38,339	-	-	-	38,339
	<u>47,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,781</u>
<b>Results</b>					
Segment Results	4,701	(608)	(305)	(97)	3,691
Finance costs	(953)	(2)	-	-	(955)
Profit/(Loss) before taxation	3,748	(610)	(305)	(97)	2,736
Taxation	(755)	-	-	-	(755)
Profit/(Loss) after taxation	<u>2,993</u>	<u>(610)</u>	<u>(305)</u>	<u>(97)</u>	<u>1,981</u>
<b>Net Assets</b>					
<b>as at 30 June 2016</b>	<u>53,343</u>	<u>(3,401)</u>	<u>47,704</u>	<u>(24,576)</u>	<u>73,070</u>

**Financial period ended 30 June 2015:**

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
Local	12,817	-	-	-	12,817
Exports	33,057	-	-	-	33,057
	<u>45,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,874</u>
<b>Results</b>					
Segment Results	3,972	(872)	(554)	-	2,546
Finance costs	(948)	-	(2)	-	(950)
Profit/(Loss) before taxation	3,024	(872)	(556)	-	1,596
Taxation	(411)	-	-	-	(411)
Profit/(Loss) after taxation	<u>2,613</u>	<u>(872)</u>	<u>(556)</u>	<u>-</u>	<u>1,185</u>
<b>Net Assets</b>					
<b>as at 30 June 2015</b>	<u>48,951</u>	<u>(1,948)</u>	<u>47,545</u>	<u>(24,490)</u>	<u>70,058</u>

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2016****A10. Material Events Subsequent to the End of the Period**

There were no material events between the end of the period and the date of this report that have not been reflected in the financial statements for the period.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial period under review.

**A12. Contingent Liabilities and Contingent Assets**

Contingent Liabilities of the Group of a material nature are as follows:

Company

**As at  
30/6/2016  
RM'000**

Contingent Liabilities (Unsecured)

- Corporate guarantees to financial institutions for credit facilities granted to subsidiary companies

124,196

**A13. Capital Commitments**

**As at  
30/6/2016  
RM'000**

Property, plant and machinery

Contracted but not provided for

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**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2016****PART B : ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

	Current Quarter ended 30/6/2016 RM'Million	Preceding Year Corresponding Quarter ended 30/6/2015 RM'Million	Current Year Period ended 30/6/2016 RM'Million	Preceding Year Period ended 30/6/2015 RM'Million
<b>Revenue</b>	23.8	20.7	47.8	45.9
<b>Profit before taxation</b>	1.8	0.5	2.7	1.6

Manufacturing Division

The revenue of 2016 second quarter was recorded at RM23.8 million as compared to RM20.7 million of the corresponding quarter in preceding year, an increase of RM3.1 million. This was mainly attributed to higher export sales with the projects secured from overseas market.

Property Division

Our residential property development project, **Damai Vista** was launched in March 2016. No revenue was recognised for the period under review.

The Group's profit before tax of current quarter was recorded at RM1.8 million as compared to RM0.5 million of the corresponding quarter in preceding year, an increase of RM1.3 million in tandem with profit from increased revenue.

**B2. Variation of Results Against Preceding Quarter**

	Current Quarter ended 30/6/2016 RM'Million	Preceding Quarter ended 31/3/2016 RM'Million
<b>Revenue</b>	23.8	24.0
<b>Profit before taxation</b>	1.8	0.9

Revenue for current quarter was recorded at RM23.8 million as compared to RM24.0 million of the previous quarter, lower by RM0.2 million attributed to lower revenue generated from local market.

The Group's profit before tax for the current quarter was at RM1.8 million as compared to RM0.9 million in the previous quarter mainly due to lower foreign exchange fluctuation as compared to previous quarter.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2016****B3. Profit for the Quarter/Period**

Profit for the quarter/period is arrived at after charging/(crediting) :-

	<b>Current Year Quarter ended 30/6/2016 RM'000</b>	<b>Preceding Year Corresponding Quarter ended 30/6/2015 RM'000</b>	<b>Current Year Period ended 30/6/2016 RM'000</b>	<b>Preceding Year Period ended 30/6/2015 RM'000</b>
Interest Income	(12)	(10)	(24)	(18)
Other income including investment income	(12)	-	(13)	(1)
Interest expense	446	430	838	850
Depreciation & amortisation	1,251	1,359	2,514	2,714
Foreign exchange (gain)/loss	(153)	(355)	(400)	(465)
Loss/(Gain) on derivatives	286	58	(91)	33

**B4. Current Year Prospects**

The overall economic outlook is expected to be challenging in 2016 with corporate expenditures remaining cautious.

The manufacturing division will continue to improve its operational efficiency and intensify its branding and marketing strategy in response to the challenging market environment.

**Damai Vista** Condominium Project was launched Mar'2016 and the construction progress is on schedule.

**B5. Variance of Actual and Forecast Profit**

Not applicable as there is no profit forecast or profit guarantee issued.

**B6. Corporate Proposal**

There were no corporate proposals announced but not completed as at 22 August 2016, being a date not earlier than 7 days from the date of this report.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2016****B7. Taxation**

	Current Year Quarter ended 30/6/2016 RM'000	Preceding Year Corresponding Quarter ended 30/6/2015 RM'000	Current Year period ended 30/6/2016 RM'000	Preceding Year period ended 30/6/2015 RM'000
<u>Current taxation</u>				
-current year	272	102	755	343
-prior year	-	-	-	-
	<u>272</u>	<u>102</u>	<u>755</u>	<u>343</u>
<u>Deferred taxation</u>				
-current year	-	28	-	68
	<u>272</u>	<u>130</u>	<u>755</u>	<u>411</u>

The effective tax rate for the period ended 30 June 2016 was lower than the statutory tax rate mainly due to deferred tax assets of profit making subsidiaries that were not recognised previously were higher than losses of other subsidiaries and non tax deductible expenses.

**B8. Group Borrowings and Debt Securities**

The Group's borrowings as at 30 June 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Secured</u>			
Overdrafts	3,730	-	3,730
Bills payables	8,959	-	8,959
Term loans	1,525	23,335	24,860
Hire purchase payables	1,311	938	2,249
	<u>15,525</u>	<u>24,273</u>	<u>39,798</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

**B9. Realised/Unrealised profits**

	As at 30/6/2016 RM'000	As at 30/6/2015 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	48,448	44,286
- unrealised	769	1,386
	<u>49,217</u>	<u>45,672</u>
Less: Consolidation adjustments	(20,905)	(20,166)
	<u>28,312</u>	<u>25,506</u>

**B10. Material Litigation**

The Group does not have any material litigation as at the date of this report.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - SECOND QUARTER ENDED 30 JUNE 2016****B11. Derivative Financial Instruments**

The Group uses forward exchange contracts to hedge the Group's sales denominated in USD, EURO, pound and SGD. Financial derivatives are recognised on their respective contract dates.

Details of the outstanding derivative financial instruments of the Group as at 30 June 2016 are as follows:

Type of instruments	Contract/Notional Amount RM'000	Value as at 30/6/2016 RM'000	Fair Value gain RM'000
Foreign currency forward contracts - Less than 1 year	5,872	5,675	197

The currency forward contracts are transacted with the Group's bankers. Credit risk for non-performance by the counterparties in these instruments is low.

**B12. Dividend**

No dividend has been proposed or declared for the financial period ended 30 June 2016 (30 June 2015: Nil).

**B13. Earnings Per Share**

The earnings per share for the quarter ended 30 June 2016 is computed as follows:-

	Current Year Quarter ended 30/6/2016	Preceding Year Corresponding Quarter ended 30/6/2015	Current Year Period ended 30/6/2016	Preceding Year Period ended 30/6/2015
Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	1,407	315	1,740	1,081
Weighted average number of shares ('000)	243,000	243,000	243,000	243,000
Basic Earnings Per Share (sen)*	0.58	0.13	0.72	0.44

\* Number of shares was adjusted to 243,000,000 following the bonus issue of 162,000,000 new Euro Shares on the basis of two (2) bonus shares for every one (1) existing Euro Share held, completed on 9 September 2015.

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 30 June 2016.

By order of the Board  
**EURO HOLDINGS BERHAD**

Tan Tong Lang (MAICSA 7045482)  
Company Secretary  
Date: 29 Aug 2016