

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.15 RM'000	Preceding Year Corresponding Quarter 31.03.14 RM'000	Current Year To Date 31.03.15 RM'000	Preceding Year Corresponding Period 31.03.14 RM'000
<b>Continuing Operations:</b>				
Revenue	25,195	30,308	25,195	30,308
Cost of sales	(17,699)	(22,420)	(17,699)	(22,420)
Gross profit	<u>7,496</u>	<u>7,888</u>	<u>7,496</u>	<u>7,888</u>
Other income	287	322	287	322
Operating expenses	(6,236)	(6,206)	(6,236)	(6,206)
Finance costs	(469)	(606)	(469)	(606)
<b>Profit before taxation</b>	<u>1,078</u>	<u>1,398</u>	<u>1,078</u>	<u>1,398</u>
Taxation	(281)	(303)	(281)	(303)
<b>Profit for the period</b>	<u>797</u>	<u>1,095</u>	<u>797</u>	<u>1,095</u>
Other comprehensive income ("OCI")	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><u>797</u></u>	<u><u>1,095</u></u>	<u><u>797</u></u>	<u><u>1,095</u></u>
<b>Attributable to:</b>				
Owners of the Company	766	1,072	766	1,072
Non-controlling interest	<u>31</u>	<u>23</u>	<u>31</u>	<u>23</u>
	<u><u>797</u></u>	<u><u>1,095</u></u>	<u><u>797</u></u>	<u><u>1,095</u></u>
<b>Earnings per share</b>				
- Earnings per share (sen)	<u><u>0.95</u></u>	<u><u>1.32</u></u>	<u><u>0.95</u></u>	<u><u>1.32</u></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 2014 and the accompanying explanatory notes attached to the interim financial statements.



**EURO HOLDINGS BERHAD**  
(Company No. 646559-T)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015**  
(The figures have not been audited)

	(Unaudited) As At End of Current Period 31.03.15 RM'000	(Audited) As At End of Preceding Financial Year 31.12.14 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	60,120	61,364
Land held for development	15,002	12,139
Deferred taxation	1,128	1,132
	<u>76,250</u>	<u>74,635</u>
<b>Current assets</b>		
Inventories	13,405	14,982
Trade receivables	22,102	20,971
Other receivables, deposits and prepayments	1,363	943
Tax recoverable	608	1,030
Fixed deposit	990	903
Short term funds	126	125
Cash and bank balances	6,955	6,719
	<u>45,549</u>	<u>45,673</u>
<b>TOTAL ASSETS</b>	<u>121,799</u>	<u>120,308</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	40,500	40,500
Share Premium	3,844	3,844
Retained Earnings	25,191	24,425
	<u>69,535</u>	<u>68,769</u>
Non-controlling interest	135	104
<b>Total equity</b>	<u>69,670</u>	<u>68,873</u>
<b>Non-current liabilities</b>		
Term loans	10,224	10,608
Hire purchase payables	2,318	2,704
	<u>12,542</u>	<u>13,312</u>
<b>Current liabilities</b>		
Trade payables	9,413	11,368
Other payables and accruals	8,103	7,247
Amount due to director	9	2
Bank overdrafts	12,617	8,897
Bills payable	5,861	6,924
Hire purchase payables	1,526	1,536
Short term loans	1,793	1,896
Provision for taxation	212	175
Forward exchange contracts	53	78
	<u>39,587</u>	<u>38,123</u>
<b>Total liabilities</b>	<u>52,129</u>	<u>51,435</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>121,799</u>	<u>120,308</u>
Net Assets Per Share (RM)	0.86	0.85

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 2014 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 FIRST QUARTER ENDED 31 MARCH 2015**  
(The figures have not been audited)

	/--Attributable to Equity Holders of the Company--/ /---Non-distributable---/ Distributable					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	
<b>At 1 January 2015</b>	40,500	3,844	24,425	68,769	104	68,873
Total comprehensive income for the period	-	-	766	766	31	797
<b>At 31 March 2015</b>	<u>40,500</u>	<u>3,844</u>	<u>25,191</u>	<u>69,535</u>	<u>135</u>	<u>69,670</u>
<b>At 1 January 2014</b>	40,500	3,844	22,016	66,360	141	66,501
Total comprehensive income for the period	-	-	1,072	1,072	23	1,095
<b>At 31 March 2015</b>	<u>40,500</u>	<u>3,844</u>	<u>23,088</u>	<u>67,432</u>	<u>164</u>	<u>67,596</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2015**

(The figures have not been audited)

	Current Year Period ended 31.03.15 RM'000	Preceding Year Period ended 31.03.14 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,078	1,398
Non-cash items	1,355	1,310
Non-operating items	368	284
Operating profit before working capital changes	<u>2,801</u>	<u>2,992</u>
Inventories	1,577	(69)
Trade and other receivables	(699)	(555)
Trade and other payables	(2,553)	4,426
Cash generated from operations	<u>1,126</u>	<u>6,794</u>
Land held for development	(2,863)	-
Tax paid	(186)	(213)
Tax refund	368	-
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<u>(1,555)</u>	<u>6,581</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(182)	(715)
Interest received	8	28
Proceeds from disposal of property, plant and equipment	26	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(148)</u>	<u>(687)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged	(87)	(18)
Interest paid	(420)	(443)
Repayment of hire purchase payables	(396)	(452)
Repayment of term loans	(488)	(463)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(1,391)</u>	<u>(1,376)</u>
Net (decrease)/increase in cash and cash equivalents	(3,094)	4,518
Cash and cash equivalents at beginning of the financial period	(2,052)	(9,034)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*</b>	<u>(5,146)</u>	<u>(4,516)</u>
<b>*Cash and cash equivalents at the end of the financial period comprised the following:</b>		
Bank overdrafts	(12,227)	(9,042)
Cash and bank balances	6,955	4,404
Fixed deposits	990	772
Short term funds	126	122
	<u>(4,156)</u>	<u>(3,744)</u>
Less: Fixed deposits pledged to a bank for credit facilities	(990)	(772)
	<u>(5,146)</u>	<u>(4,516)</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 2014 and the accompanying explanatory notes attached to the interim financial statements.



**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2015**

**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 2014. 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 2014.

**A2. Significant Accounting Policies**

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 2014, except for the adoption of the MFRSs, amendments and interpretations which are effective from the annual period beginning 1 January 2015.

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 2014 was not qualified.

**A4. Seasonal and Cyclical Factors**

Sales have been historically higher in the second half of the year than the first due to increase in projects during that period.

**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 31 March 2015.

**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.

**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 31 March 2015.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2015**

**A8. Dividends Paid**

No dividends were paid by the Company in the current quarter and period ended 31 March 2015.

**A9. Segmental Reporting**

For the financial period ended 31 March 2015, the Group's financial information is analysed by operating segments as follows:

*Financial period ended 31 March 2015:*

	<b>Manufacturing RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
Local	8,059	-	-	-	8,059
Exports	17,136	-	-	-	17,136
	<u>25,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,195</u>
<b>Results</b>					
Segment Results	2,344	(686)	(111)	-	1,547
Finance costs	(467)	-	(2)	-	(469)
Profit/(Loss) before taxation	1,877	(686)	(113)	-	1,078
Taxation	(281)	-	-	-	(281)
Profit/(Loss) after taxation	<u>1,596</u>	<u>(686)</u>	<u>(113)</u>	<u>-</u>	<u>797</u>
<b>Net Assets as at 31 March 2015</b>	<u>47,891</u>	<u>(1,762)</u>	<u>47,989</u>	<u>(24,448)</u>	<u>69,670</u>

*Financial period ended 31 March 2014:*

	<b>Manufacturing RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
Local	11,171	-	-	-	11,171
Exports	19,137	-	-	-	19,137
	<u>30,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,308</u>
<b>Results</b>					
Segment Results	2,217	(103)	(111)	-	2,003
Finance costs	(508)	(96)	(1)	-	(605)
Profit/(Loss) before taxation	1,709	(199)	(112)	-	1,398
Taxation	(303)	-	-	-	(303)
Profit/(Loss) after taxation	<u>1,406</u>	<u>(199)</u>	<u>(112)</u>	<u>-</u>	<u>1,095</u>
<b>Net Assets as at 31 March 2014</b>	<u>45,067</u>	<u>(646)</u>	<u>47,640</u>	<u>(24,465)</u>	<u>67,596</u>

**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.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2015**

**A12. Contingent Liabilities and Contingent Assets**

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

	<b>As at 31.03.15 RM'000</b>
<u>Company</u>	
<u>Contingent Liabilities (Unsecured)</u>	
- Corporate guarantees to financial institutions for credit facilities granted to subsidiary companies	<u>84,010</u>

**A13. Capital Commitments**

	<b>As at 31.03.15 RM'000</b>
Property, plant and machinery	
Contracted but not provided for	<u>207</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2015**

**PART B : ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

	<b>Current Quarter ended 31.03.15 RM'Million</b>	<b>Preceding Year Corresponding Quarter ended 31.03.14 RM'Million</b>	<b>Current Year Period ended 31.03.15 RM'Million</b>	<b>Preceding Year Period ended 31.03.14 RM'Million</b>
<b>Revenue</b>	25.1	30.3	25.1	30.3
<b>Profit before taxation</b>	1.1	1.4	1.1	1.4

The revenue for the first quarter of 2015 was recorded at RM25.1 million as compared to RM30.3 million in the corresponding preceding year quarter, a decline of RM5.2 million or 17.2%. The Group generated a lower revenue from both the exports and local markets. Market sentiments had remained weak with persistent low global oil prices and the continued challenges presented by the world key economies. On the home front, local demand was lacklustre in the absence of high-value projects, exacerbated by the uncertainties of the impending implementation of the goods and services tax w.e.f. 1 April 2015.

The Group recorded a profit before taxation of RM1.1 million in the current quarter against the preceding year's corresponding quarter of RM1.4 million. Gross profit margin improved with better control of material usage and stronger USD against the Ringgit.

The property division is in the process of making the necessary arrangements to start work on its inaugural residential project in Mukim Cheras, Kuala Lumpur. The project is scheduled to be launched by the second half of 2015.

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

	<b>Current Quarter ended 31.03.15 RM'Million</b>	<b>Preceding Quarter ended 31.12.14 RM'Million</b>
<b>Revenue</b>	25.1	24.4
<b>Profit/(Loss) before taxation</b>	1.1	(0.2)

Revenue was sustained at almost similar level as that of the previous quarter. Sale increased significantly in the month of March 2015.

The Group's profit before tax for the current quarter was at RM1.1 million, a turnaround from a loss before tax of RM0.2 million in the previous quarter. The loss in the previous quarter was mainly attributable to the provision made on doubtful debts of RM1.3 million.

**B3. Profit for the Quarter/Period**

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

	<b>Current Year Quarter ended 31.03.15 RM'000</b>	<b>Preceding Year Corresponding Quarter ended 31.03.14 RM'000</b>	<b>Current Year Period ended 31.03.15 RM'000</b>	<b>Preceding Year Period ended 31.03.14 RM'000</b>
Interest Income	(8)	(28)	(8)	(28)
Other income including investment income	(1)	(1)	(1)	(1)
Interest expense	420	443	420	443
Depreciation & amortisation	1,355	1,310	1,355	1,310
Foreign exchange (gain)/loss	(110)	12	(110)	12
Gain on derivatives	(25)	(135)	(25)	(135)



**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2015**

**B4. Current Year Prospects**

Development growth prospects of the world's key economies remain uncertain. This uncertainty may affect the potential sale of our products.

Against the current economic backdrop, EURO will leverage on research and development and apply those insights to improve our products. The Group will be vigilant and develop strategies to respond accordingly to changing business dynamics. We will continue to enhance control measures to contain operational costs and to achieve higher efficiency level.

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

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

**B6. Corporate Proposal**

Corporate proposals announced but not completed as at 20 May 2015, being a date not earlier than 7 days from the date of this report are as follows:

On 29 April 2015, TA Securities Holdings Berhad announced on behalf of the Board of Directors of EURO that the Company proposed to undertake the following proposals:

- i) proposed reduction of the issued and paid-up share capital of EURO via the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each to RM0.10 each in EURO ("Euro Share") pursuant to Section 64 of the Companies Act, 1965 ("Act") ("Proposed Par Value Reduction");
- ii) proposed bonus issue of 162,000,000 new Euro Shares ("Bonus Shares") on the basis of two (2) Bonus Shares for every one (1) existing Euro Share held at an entitlement date to be determined later after the Proposed Par Value Reduction;
- iii) proposed private placement of up to 24,300,000 new Euro Shares ("Placement Shares"), representing not more than ten percent (10%) of the enlarged issued and paid-up share capital of Euro (excluding treasury shares, if any); and
- iv) proposed amendments to the Memorandum and Articles of Association of Euro to effect the Proposed Par Value Reduction.

(Collectively referred as "the Proposals")

Bursa Securities had, vide its letter dated 26 May 2015 approved the additional listing application for the Bonus Shares and Placement Shares.

**B7. Taxation**

	<b>Current Year Quarter ended 31.03.15 RM'000</b>	<b>Preceding Year Corresponding Quarter ended 31.03.14 RM'000</b>	<b>Current Year period ended 31.03.15 RM'000</b>	<b>Preceding Year period ended 31.03.14 RM'000</b>
<u>Current taxation</u>				
-current year	241	288	241	288
-prior year	-	3	-	3
	241	291	241	291
<u>Deferred taxation</u>				
-current year	40	12	40	12
	281	303	281	303

The effective tax rate for the period ended 31 March 2015 was similar to the statutory income tax rate. The utilisation of deferred tax assets of certain subsidiaries which were not recognised previously was off-set by other loss making subsidiaries and non-allowable expenses for tax purposes.

**B8. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2015 are as follows:

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
<u>Secured</u>			
Overdrafts	12,617	-	12,617
Bills payables	5,861	-	5,861
Term loans	1,793	10,224	12,017
Hire purchase payables	1,526	2,318	3,844
	21,797	12,542	34,339

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2015**

All borrowings of the Group are denominated in Ringgit Malaysia.

**B9. Realised/Unrealised profits**

	As at 31.03.15 RM'000	As at 31.03.14 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	44,061	41,929
- unrealised	1,218	1,297
	<u>45,279</u>	<u>43,226</u>
Less: Consolidation adjustments	(20,088)	(20,138)
	<u><u>25,191</u></u>	<u><u>23,088</u></u>

**B10. 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 31 March 2015 are as follows:

<u>Type of instruments</u>	Contract/Notional Amount RM'000	Value as at 31 March 2015 RM'000	Fair Value Loss RM'000
Foreign currency forward contracts			
- Less than 1 year	6,060	6,113	53

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

**B11. Material Litigation**

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

**B12. Dividend**

No dividend has been proposed or declared for the financial period ended 31 March 2015 (31 March 2014: Nil).

**B13. Earnings Per Share**

The earnings per share for the quarter ended 31 March 2015 is computed as follows:-

	Current Year Quarter ended 31.03.15	Preceding Year Corresponding Quarter ended 31.03.14	Current Year Period ended 31.03.15	Preceding Year Period ended 31.03.14
Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	766	1,072	766	1,072
Weighted average number of shares of RM0.50 each in issue ('000)	81,000	81,000	81,000	81,000
Earnings Per Share (sen)	0.95	1.32	0.95	1.32

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 31 March 2015.

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

Tan Tong Lang

Company Secretary  
(MAICSA 7045482)

Date: 27 May 2015