

EURO HOLDINGS BERHAD

(Company No. 646559-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|--|---|--|---|---|
| | Current Year Quarter 31.12.15 RM'000 | Preceding Year Corresponding Quarter 31.12.14 RM'000 | Current Year To Date 31.12.15 RM'000 | Preceding Year Corresponding Period 31.12.14 RM'000 |
| Continuing Operations: | | | | |
| Revenue | 26,775 | 24,444 | 92,487 | 106,113 |
| Cost of sales | (18,745) | (18,182) | (63,715) | (77,245) |
| Gross profit | <u>8,030</u> | <u>6,262</u> | <u>28,772</u> | <u>28,868</u> |
| Other income | (427) | 136 | 668 | 691 |
| Operating expenses | (5,837) | (6,336) | (23,788) | (24,627) |
| Finance costs | (466) | (215) | (1,882) | (2,048) |
| Profit/(Loss) before taxation | <u>1,300</u> | <u>(153)</u> | <u>3,770</u> | <u>2,884</u> |
| Taxation | (564) | 213 | (1,310) | (512) |
| Profit for the period | <u>736</u> | <u>60</u> | <u>2,460</u> | <u>2,372</u> |
| Other comprehensive income ("OCI") | - | - | - | - |
| Total comprehensive income for the period | <u><u>736</u></u> | <u><u>60</u></u> | <u><u>2,460</u></u> | <u><u>2,372</u></u> |
| Attributable to: | | | | |
| Owners of the Company | 626 | (13) | 2,080 | 2,409 |
| Non-controlling interest | 110 | 73 | 380 | (37) |
| | <u>736</u> | <u>60</u> | <u>2,460</u> | <u>2,372</u> |
| Earnings per share | | | | |
| - Earnings per share (sen) * | <u>0.26</u> | <u>(0.01)</u> | <u>0.86</u> | <u>0.99</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.

* 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

EURO HOLDINGS BERHAD

(Company No. 646559-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

(The figures have not been audited)

| | (Unaudited) As At End of Current Year 31.12.15 RM'000 | (Audited) As At End of Preceding Financial Year 31.12.14 RM'000 |
|---|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 56,458 | 61,364 |
| Deferred taxation | 703 | 1,132 |
| | <u>57,161</u> | <u>62,496</u> |
| Current assets | | |
| Land held for development | 21,880 | 12,139 |
| Inventories | 15,270 | 14,982 |
| Trade receivables | 25,176 | 20,971 |
| Other receivables, deposits and prepayments | 1,462 | 943 |
| Tax recoverable | 1,164 | 1,030 |
| Fixed deposit | 1,266 | 903 |
| Forward exchange contracts | 69 | - |
| Short term funds | 129 | 125 |
| Cash and bank balances | 3,635 | 6,719 |
| | <u>70,051</u> | <u>45,673</u> |
| TOTAL ASSETS | <u><u>127,212</u></u> | <u><u>108,169</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 24,300 | 40,500 |
| Share Premium | 19,728 | 3,844 |
| Retained Earnings | 26,505 | 24,425 |
| | <u>70,533</u> | <u>68,769</u> |
| Non-controlling interest | 484 | 104 |
| Total equity | <u>71,017</u> | <u>68,873</u> |
| Non-current liabilities | | |
| Term loans | 9,017 | 10,608 |
| Hire purchase payables | 1,437 | 2,704 |
| | <u>10,454</u> | <u>13,312</u> |
| Current liabilities | | |
| Trade payables | 10,215 | 11,368 |
| Other payables and accruals | 15,156 | 7,247 |
| Amount due to director | 38 | 2 |
| Bank overdrafts | 8,415 | 8,897 |
| Bills payable | 5,515 | 6,924 |
| Hire purchase payables | 1,519 | 1,536 |
| Short term loans | 4,183 | 1,896 |
| Forward exchange contracts | - | 78 |
| Provision for taxation | 700 | 175 |
| | <u>45,741</u> | <u>38,123</u> |
| Total liabilities | <u>56,195</u> | <u>51,435</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>127,212</u></u> | <u><u>120,308</u></u> |
| Net Assets Per Share (RM) | 0.29 * | 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.

* 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

EURO HOLDINGS BERHAD

(Company No. 646559-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

| | /--Attributable to Equity Holders of the Company--/ /--Non-distributable---/ Distributable | | | | Non- Controlling Interest | Total Equity |
|---|---|------------------|----------------------|---------------|---------------------------------|-----------------|
| | Share Capital | Share Premium | Retained Earnings | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2015 | 40,500 | 3,844 | 24,425 | 68,769 | 104 | 68,873 |
| Reduction of issued and paid up share capital via the cancellation of RM0.40 of the par value of every 1 existing ordinary share of RM0.50 each | (32,400) | 32,400 | - | - | - | - |
| Bonus issue of 2 bonus shares for every 1 existing share held | 16,200 | (16,200) | - | - | - | - |
| Less related expenses on share par value reduction and bonus issue | - | (316) | - | (316) | - | (316) |
| Total comprehensive income for the period | - | - | 2,080 | 2,080 | 380 | 2,460 |
| At 31 December 2015 | <u>24,300</u> | <u>19,728</u> | <u>26,505</u> | <u>70,533</u> | <u>484</u> | <u>71,017</u> |
| At 1 January 2014 | 40,500 | 3,844 | 22,016 | 66,360 | 141 | 66,501 |
| Total comprehensive income/loss for the period | - | - | 2,409 | 2,409 | (37) | 2,372 |
| At 31 December 2014 | <u>40,500</u> | <u>3,844</u> | <u>24,425</u> | <u>68,769</u> | <u>104</u> | <u>68,873</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 DECEMBER 2015**

(The figures have not been audited)

| | Current Year ended 31.12.15 RM'000 | Preceding Year ended 31.12.14 RM'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 3,770 | 2,884 |
| Non-cash items | 5,333 | 5,281 |
| Non-operating items | 1,799 | 3,895 |
| Operating profit before working capital changes | <u>10,902</u> | <u>12,060</u> |
| Inventories | (287) | 342 |
| Trade and other receivables | (4,371) | 6,840 |
| Trade and other payables | 4,974 | (111) |
| Cash generated from operations | <u>11,218</u> | <u>19,131</u> |
| Land held for development | (9,741) | (3,096) |
| Tax paid | (864) | (969) |
| Tax refund | 374 | 294 |
| NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES | <u>987</u> | <u>15,360</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (507) | (2,726) |
| Interest received | 33 | 49 |
| Proceeds from disposal of property, plant and equipment | 100 | 27 |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(374)</u> | <u>(2,650)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Fixed deposits pledged | (363) | (149) |
| Interest paid | (1,665) | (1,809) |
| Drawn down of term loan | 2,604 | - |
| Repayment of hire purchase payables | (1,563) | (1,885) |
| Repayment of term loans | (1,909) | (1,885) |
| Share par value reduction and bonus issue expenses | (316) | - |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(3,212)</u> | <u>(5,728)</u> |
| Net (decrease)/increase in cash and cash equivalents | (2,599) | 6,982 |
| Cash and cash equivalents at beginning of the financial period | (2,053) | (9,034) |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD* | <u>(4,652)</u> | <u>(2,052)</u> |

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

| | | |
|--|----------------|----------------|
| Bank overdrafts | (8,415) | (8,896) |
| Cash and bank balances | 3,634 | 6,719 |
| Fixed deposits | 1,266 | 903 |
| Short term funds | 129 | 125 |
| | <u>(3,386)</u> | <u>(1,149)</u> |
| Less: Fixed deposits pledged to a bank for credit facilities | (1,266) | (903) |
| | <u>(4,652)</u> | <u>(2,052)</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 - FOURTH QUARTER ENDED 31 DECEMBER 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. However, due to continued volatility in the global economic outlook and uncertainties in the domestic market, sales had remained flat in the second half of 2015.

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 financial year ended 31 December 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 and financial year under review.

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 financial year ended 31 December 2015 except for the followings:

- i) reduction of the issued and paid-up share capital of EURO from RM40,500,000 to RM8,100,000 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"), completed on 20 August 2015
- ii) the issued and paid-up capital was subsequently increased from RM8,100,000 to RM24,300,000 on 9 September 2015 via the issuance of 162,000,000 new Euro Shares ("Bonus Shares") of RM0.10 each on the basis of two (2) Bonus Shares for every one (1) existing Euro Share held.

EURO HOLDINGS BERHAD

(Company No. 646559-T)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FOURTH QUARTER ENDED 31 DECEMBER 2015**A8. Dividends Paid**

No dividends were paid by the Company in the current quarter and financial year ended 31 December 2015.

A9. Segmental Reporting

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

Financial year ended 31 December 2015:

| | Manufacturing RM'000 | Property RM'000 | Investment Holding RM'000 | Elimination RM'000 | Total RM'000 |
|--|---------------------------------|----------------------------|--|-------------------------------|-------------------------|
| Revenue | | | | | |
| Local | 23,799 | - | 1,000 | (1,000) | 23,799 |
| Exports | 68,688 | - | - | - | 68,688 |
| | <u>92,487</u> | <u>-</u> | <u>1,000</u> | <u>(1,000)</u> | <u>92,487</u> |
| Results | | | | | |
| Segment Results | 7,568 | (1,105) | 221 | (1,032) | 5,652 |
| Finance costs | (1,879) | (1) | (2) | - | (1,882) |
| Profit/(Loss) before taxation | 5,689 | (1,106) | 219 | (1,032) | 3,770 |
| Taxation | (1,316) | - | 6 | - | (1,310) |
| Profit/(Loss) after taxation | <u>4,373</u> | <u>(1,106)</u> | <u>225</u> | <u>(1,032)</u> | <u>2,460</u> |
| Net assets/(liabilities) as at 31 December 2015 | <u>49,668</u> | <u>(2,181)</u> | <u>48,010</u> | <u>(24,480)</u> | <u>71,017</u> |

Financial year ended 31 December 2014:

| | Manufacturing RM'000 | Property RM'000 | Investment Holding RM'000 | Elimination RM'000 | Total RM'000 |
|--|---------------------------------|----------------------------|--|-------------------------------|-------------------------|
| Revenue | | | | | |
| Local | 33,510 | - | 1,132 | (1,132) | 33,510 |
| Exports | 72,603 | - | - | - | 72,603 |
| | <u>106,113</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>106,113</u> |
| Results | | | | | |
| Segment Results | 6,340 | (629) | 353 | (1,132) | 4,932 |
| Finance costs | (2,042) | - | (6) | - | (2,048) |
| Profit/(Loss) before taxation | 4,298 | (629) | 347 | (1,132) | 2,884 |
| Taxation | (514) | - | 2 | - | (512) |
| Profit/(Loss) after taxation | <u>3,784</u> | <u>(629)</u> | <u>349</u> | <u>(1,132)</u> | <u>2,372</u> |
| Net assets/(liabilities) as at 31 December 2014 | <u>46,295</u> | <u>(1,075)</u> | <u>48,101</u> | <u>(24,448)</u> | <u>68,873</u> |

A10. Material Events Subsequent to the End of the Financial Year

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

A11. Changes in the Composition of the Group

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

EURO HOLDINGS BERHAD
(Company No. 646559-T)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FOURTH QUARTER ENDED 31 DECEMBER 2015

A12. Contingent Liabilities and Contingent Assets

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

As at
31.12.15
RM'000

Company

Contingent Liabilities (Unsecured)

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

106,196

A13. Capital Commitments

As at
31.12.15
RM'000

Property, plant and machinery

Contracted but not provided for

72

EURO HOLDINGS BERHAD

(Company No. 646559-T)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FOURTH QUARTER ENDED 31 DECEMBER 2015**PART B : ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

| | Current Quarter ended 31.12.15 RM'Million | Preceding Year Corresponding Quarter ended 31.12.14 RM'Million | Current Year ended 31.12.15 RM'Million | Preceding Year ended 31.12.14 RM'Million |
|-------------------------------|--|--|---|---|
| Revenue | 26.8 | 24.4 | 92.5 | 106.1 |
| Profit before taxation | 1.3 | (0.2) | 3.8 | 2.9 |

The Group recorded a lower revenue of RM92.5 million for the financial year ended 31 December, a decline of 12.8% as compared to previous financial year. Although revenue from both export and local markets fell amidst continued market uncertainties, average selling prices in Ringgit terms for export products improved year-on-year due to favourable exchange rates.

The Group posted a profit before taxation of RM3.8 million for the current year, an improvement of RM0.9 million as compared to the previous year. The manufacturing division performed reasonably well despite the drop in sales volume attributed to improved contribution margin from furniture exports as USD strengthened against RM. Gross profit margin also improved with effective control measures.

On the other hand, higher operation and pre-launching costs were incurred by property division during the year to obtain all necessary approvals from the relevant authorities and preparation for launching its inaugural residential project in Mukim Cheras, Kuala Lumpur. The project would be scheduled to be launched in first quarter of 2016.

B2. Variation of Results Against Preceding Quarter

| | Current Quarter ended 31.12.15 RM'Million | Preceding Quarter ended 30.09.15 RM'Million |
|-------------------------------|--|--|
| Revenue | 26.8 | 19.8 |
| Profit before taxation | 1.3 | 0.9 |

The Group achieved higher revenue in the current quarter compared to the previous quarter, the improvement was achieved with higher sales from both local and export markets.

On the back of higher revenue with relatively consistent gross margin and operation expenses, the Group recorded profit before tax of RM1.3 million in the current quarter as compared to RM0.9 million in the previous quarter.

B3. Profit for the Quarter/Year

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

| | Current Year Quarter ended 31.12.15 RM'000 | Preceding Year Corresponding Quarter ended 31.12.14 RM'000 | Current Year ended 31.12.15 RM'000 | Preceding Year ended 31.12.14 RM'000 |
|--|---|--|---|---|
| Interest Income | (5) | (8) | (33) | (49) |
| Other income including investment income | - | (135) | (2) | (67) |
| Foreign exchange loss/(gain) | 241 | (338) | (224) | (570) |
| Interest expense | 403 | 446 | 1,665 | 1,809 |
| Depreciation & amortisation | 1,284 | 1,326 | 5,333 | 5,281 |
| Provision for and write-off of receivables | 524 | 1,307 | 524 | 2,307 |
| Provision for and write-off of stocks | - | 95 | - | 95 |
| (Gain)/Loss on derivatives | (707) | 57 | (147) | 8 |

EURO HOLDINGS BERHAD

(Company No. 646559-T)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FOURTH QUARTER ENDED 31 DECEMBER 2015**B4. Next Year Prospects**

The overall economic outlook will continue to be challenging and thereby corporate expenditures and consumer spending is expected to remain cautious.

The Group will enhance its marketing strategies in response to the challenging business environment and apply more effective cost-control measures as well as improving operational efficiency for the manufacturing division.

The Group will be launching its development project in Mukim Cheras, Selangor in the first quarter of 2016. The project is not expected to have any effect on the profitability of the Group in the next financial year, but it is expected to contribute positively to the Group's revenue and earning stream in the future years.

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 and partly completed as at 19 February 2016, being a date not earlier than 7 days from the date of this report are as follows:

On 29 April 2015, the Board of Directors of EURO announced 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 ("Proposed Bonus Issue of Shares");
- 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 ("Proposed Amendment").

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

On 25 June 2015, the Company had obtained shareholders' approval for the Proposed Par Value Reduction, Proposed Bonus Issue of Shares and Proposed Amendment.

On 12 August 2015, the High Court of Malaya had granted an order confirming the Par Value Reduction. On 20 August 2015, while the sealed order was extracted and lodged with the Companies Commission of Malaysia on 20 August 2015 which completed the Par Value Reduction.

The Bonus Issue of Shares was completed on 9 September 2015 following the listing of and quotation for the 162,000,000 Bonus Shares on the Main Market of Bursa Securities.

B7. Taxation

| | Current Year Quarter ended 31.12.15 RM'000 | Preceding Year Corresponding Quarter ended 31.12.14 RM'000 | Current Year ended 31.12.15 RM'000 | Preceding Year ended 31.12.14 RM'000 |
|--------------------------|---|---|---|---|
| <u>Current taxation</u> | | | | |
| -current year | 253 | 53 | 874 | 445 |
| -prior year | (6) | - | 7 | 7 |
| | 247 | 53 | 881 | 452 |
| <u>Deferred taxation</u> | | | | |
| -current year | 253 | (186) | 365 | 140 |
| -prior year | 64 | (80) | 64 | (80) |
| | 564 | (213) | 1,310 | 512 |

The effective tax rate for the period ended 31 December 2015 was higher than the statutory income tax rate. This was mainly due to non-recognition of deferred tax assets for certain loss making subsidiaries and non-allowable expenses for tax purposes.

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FOURTH QUARTER ENDED 31 DECEMBER 2015

B8. Group Borrowings and Debt Securities

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

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|------------------------|----------------------|---------------------|-----------------|
| <u>Secured</u> | | | |
| Overdrafts | 8,415 | - | 8,415 |
| Bills payables | 5,515 | - | 5,515 |
| Term loans | 4,183 | 9,017 | 13,200 |
| Hire purchase payables | 1,519 | 1,437 | 2,956 |
| | <u>19,632</u> | <u>10,454</u> | <u>30,086</u> |

All borrowings of the Group are denominated in Ringgit Malaysia.

B9. Realised/Unrealised profits

| | As at 31.12.15 RM'000 | As at 31.12.14 RM'000 |
|---|-----------------------------|-----------------------------|
| Total retained earnings of the Company and its subsidiaries | | |
| - realised | 45,806 | 43,271 |
| - unrealised | 1,242 | 1,216 |
| | <u>47,048</u> | <u>44,487</u> |
| Less: Consolidation adjustments | (20,543) | (20,062) |
| | <u>26,505</u> | <u>24,425</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 December 2015 are as follows:

| <u>Type of instruments</u> | Contract/Notional Amount RM'000 | Value as at 31 December 2015 RM'000 | Fair Value Gain RM'000 |
|------------------------------------|---------------------------------------|--|---------------------------|
| Foreign currency forward contracts | | | |
| - Less than 1 year | 4,865 | 4,796 | 69 |

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 year ended 31 December 2015 (31 December 2014: Nil).

EURO HOLDINGS BERHAD
(Company No. 646559-T)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - FOURTH QUARTER ENDED 31 DECEMBER 2015

B13. Earnings Per Share

The earnings per share for the financial year ended 31 December 2015 is computed as follows:-

| | Current Year Quarter ended 31.12.15 | Preceding Year Corresponding Quarter ended 31.12.14 (Restated) | Current Year ended 31.12.15 | Preceding Year ended 31.12.14 (Restated) |
|--|--|---|--|---|
| Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000) | 626 | (18) | 2,080 | 2,404 |
| Weighted average number of shares of RM0.10 each in issue ('000) | 243,000 | 243,000 | 243,000 | 243,000 |
| Earnings Per Share (sen) | 0.26 | (0.01) | 0.86 | 0.99 |

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial year ended 31 December 2015.

By order of the Board
EURO HOLDINGS BERHAD

Tan Tong Lang

Company Secretary
(MAICSA 7045482)

Date: 26 February 2016