

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2016**  
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.16 RM'000	Preceding Year Corresponding Quarter 31.03.15 RM'000	Current Year To Date 31.03.16 RM'000	Preceding Year Corresponding Period 31.03.15 RM'000
<b>Continuing Operations:</b>				
Revenue	23,951	25,195	23,951	25,195
Cost of sales	(17,044)	(17,699)	(17,044)	(17,699)
Gross profit	<u>6,907</u>	<u>7,496</u>	<u>6,907</u>	<u>7,496</u>
Other income	637	287	637	287
Operating expenses	(6,157)	(6,236)	(6,157)	(6,236)
Finance costs	(450)	(469)	(450)	(469)
<b>Profit before taxation</b>	<u>937</u>	<u>1,078</u>	<u>937</u>	<u>1,078</u>
Taxation	(483)	(281)	(483)	(281)
<b>Profit for the period</b>	<u>454</u>	<u>797</u>	<u>454</u>	<u>797</u>
Other comprehensive income ("OCI")	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><u>454</u></u>	<u><u>797</u></u>	<u><u>454</u></u>	<u><u>797</u></u>
<b>Attributable to:</b>				
Owners of the Company	333	766	333	766
Non-controlling interest	121	31	121	31
	<u>454</u>	<u>797</u>	<u>454</u>	<u>797</u>
<b>Earnings per share</b>				
- Earnings per share (sen)*	<u>0.14</u>	<u>0.32</u>	<u>0.14</u>	<u>0.32</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 31 MARCH 2016**

(The figures have not been audited)

	(Unaudited) As At End of Current Period 31.03.16 RM'000	(Audited) As At End of Preceding Financial Year 31.12.15 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,356	56,458
Deferred taxation	703	703
	<u>56,059</u>	<u>57,161</u>
<b>Current assets</b>		
Property development cost	25,819	21,880
Inventories	15,604	15,270
Trade receivables	23,179	25,176
Other receivables, deposits and prepayments	1,930	1,462
Tax recoverable	-	469
Fixed deposit	1,356	1,266
Forward exchange contracts	446	69
Short term funds	129	129
Cash and bank balances	7,554	3,635
	<u>76,017</u>	<u>69,356</u>
<b>TOTAL ASSETS</b>	<b><u>132,076</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	26,905	26,572
	<u>70,933</u>	<u>70,600</u>
Non-controlling interest	610	489
<b>Total equity</b>	<b><u>71,543</u></b>	<b><u>71,089</u></b>
<b>Non-current liabilities</b>		
Term loans	16,631	11,620
Hire purchase payables	1,150	1,439
	<u>17,781</u>	<u>13,059</u>
<b>Current liabilities</b>		
Trade payables	11,880	10,098
Other payables and accruals	12,341	15,207
Amount due to director	94	37
Bank overdrafts	6,607	8,415
Bills payable	8,623	5,515
Hire purchase payables	1,480	1,518
Term loans	1,580	1,579
Provision for taxation	147	-
	<u>42,752</u>	<u>42,369</u>
<b>Total liabilities</b>	<b><u>60,533</u></b>	<b><u>55,428</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>132,076</u></b>	<b><u>126,517</u></b>
Net Assets Per Share (RM)	0.29	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 FIRST QUARTER ENDED 31 MARCH 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	-	-	333	333	121	454
<b>At 31 March 2016</b>	<u>24,300</u>	<u>19,728</u>	<u>26,905</u>	<u>70,933</u>	<u>610</u>	<u>71,543</u>
<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>

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 31 MARCH 2016**  
(The figures have not been audited)

	Current Year Period ended 31.03.16 RM'000	Preceding Year Period ended 31.03.15 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	937	1,078
Non-cash items	1,263	1,355
Non-operating items	632	368
Operating profit before working capital changes	<u>2,832</u>	<u>2,801</u>
Inventories	(334)	1,577
Property development costs	(3,940)	-
Trade and other receivables	874	(699)
Trade and other payables	2,109	(2,553)
Cash generated from operations	<u>1,541</u>	<u>1,126</u>
Land held for development	-	(2,863)
Tax paid	(187)	(186)
Tax refund	320	368
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<u>1,674</u>	<u>(1,555)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(80)	(182)
Interest received	12	8
Proceeds from disposal of property, plant and equipment	-	26
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(68)</u>	<u>(148)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged	(90)	(87)
Interest paid	(392)	(420)
Repayment of hire purchase payables	(408)	(396)
Drawdown/repayment of term loans	5,011	(488)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>4,121</u>	<u>(1,391)</u>
Net (decrease)/increase in cash and cash equivalents	5,727	(3,094)
Cash and cash equivalents at beginning of the financial period	<u>(4,651)</u>	<u>(2,052)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*</b>	<u>1,076</u>	<u>(5,146)</u>

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

Bank overdrafts	(6,607)	(12,227)
Cash and bank balances	7,554	6,955
Fixed deposits	1,356	990
Short term funds	129	126
	<u>2,432</u>	<u>(4,156)</u>
Less: Fixed deposits pledged to a bank for credit facilities	<u>(1,356)</u>	<u>(990)</u>
	<u>1,076</u>	<u>(5,146)</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 - FIRST QUARTER ENDED 31 MARCH 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 31 March 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.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 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 31 March 2016.

**A8. Dividends Paid**

No dividends were paid by the Company in the current quarter and period ended 31 March 2016.

**A9. Segmental Reporting**

For the financial period ended 31 March 2016, the Group's financial information is analysed by operating segments as follows:

**Financial period ended 31 March 2016:**

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
<b>Revenue</b>					
Local	4,911	-	-	-	4,911
Exports	19,040	-	-	-	19,040
	<u>23,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,951</u>
<b>Results</b>					
Segment Results	1,833	(312)	(92)	(42)	1,387
Finance costs	(449)	(1)	-	-	(450)
Profit/(Loss) before taxation	1,384	(313)	(92)	(42)	937
Taxation	(483)	-	-	-	(483)
Profit/(Loss) after taxation	<u>901</u>	<u>(313)</u>	<u>(92)</u>	<u>(42)</u>	<u>454</u>
<b>Net Assets</b>					
<b>as at 31 March 2016</b>	<u>50,640</u>	<u>(2,494)</u>	<u>47,918</u>	<u>(24,521)</u>	<u>71,543</u>

**Financial period ended 31 March 2015:**

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
<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</b>					
<b>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>

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

	<b>As at 31.03.16 RM'000</b>
<u>Company</u>	
<u>Contingent Liabilities (Unsecured)</u>	
- Corporate guarantees to financial institutions for credit facilities granted to subsidiary companies	<u><u>122,196</u></u>

**A13. Capital Commitments**

	<b>As at 31.03.16 RM'000</b>
Property, plant and machinery	
Contracted but not provided for	<u><u>-</u></u>

**EURO HOLDINGS BERHAD**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 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 31.03.16 RM'Million	Preceding Year Corresponding Quarter ended 31.03.15 RM'Million	Current Year Period ended 31.03.16 RM'Million	Preceding Year Period ended 31.03.15 RM'Million
<b>Revenue</b>	24.0	25.2	24.0	25.2
<b>Profit before taxation</b>	0.9	1.1	0.9	1.1

Manufacturing Division

The revenue of 2016 first quarter was recorded at RM24.0 million as compared to RM25.2 million of the corresponding quarter in preceding year, a decline of RM1.2 million. This was mainly attributed to lower local sales in the absence of high value project, partially mitigated by higher export sales.

Property Division

Our inaugural residential property development project, **Damai Vista** was launched in March 2016, featuring 322 units of freehold condominium located in Alam Damai, Cheras. No revenue was recognised from the project for the period under review.

The Group's profit before tax of current quarter was recorded at RM0.9 million as compared to RM1.1 million of the corresponding quarter in preceding year, a marginal decline of RM0.2 million as the lower revenue was partially mitigated by lower operating expenses of the current quarter.

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

	Current Quarter ended 31.03.16 RM'Million	Preceding Quarter ended 31.12.15 RM'Million
<b>Revenue</b>	24.0	26.8
<b>Profit before taxation</b>	0.9	1.4

Revenue was lower by RM2.8 million as compared to previous quarter mainly attributed to lower revenue generated from local market in the absence of high value projects and lower revenue from export market with the progressive completion of deliveries for orders secured in the previous quarter.

The Group's profit before tax for the current quarter was at RM0.9 million as compared to RM1.4 million in the previous quarter in tandem with the lower revenue generated in current quarter.



**EURO HOLDINGS BERHAD**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2016****B3. Profit for the Quarter/Period**

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

	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter ended</b>	<b>Corresponding</b>	<b>Period ended</b>	<b>Period ended</b>
	<b>31.03.16</b>	<b>Quarter ended</b>	<b>31.03.16</b>	<b>31.03.15</b>
	<b>RM'000</b>	<b>31.03.15</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>RM'000</b>		
Interest Income	(12)	(8)	(12)	(8)
Other income including investment income	(1)	(1)	(1)	(1)
Interest expense	392	420	392	420
Depreciation & amortisation	1,263	1,355	1,263	1,355
Foreign exchange (gain)/loss	(247)	(110)	(247)	(110)
Gain on derivatives	(377)	(25)	(377)	(25)

**B4. Current Year Prospects**

The overall economic outlook is expected to be challenging in 2016 and thereby corporate expenditures and consumer spending will remain 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.

Despite the challenging condition in the property market, the sales of **Damai Vista** condominium is underpinned by its strategic location and attractive pricing.

**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, among others, 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).

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

As at the date of this announcement, none of the Placement Shares has been placed out by the Company.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - FIRST QUARTER ENDED 31 MARCH 2016****B7. Taxation**

	Current Year Quarter ended 31.03.16 RM'000	Preceding Year Corresponding Quarter ended 31.03.15 RM'000	Current Year period ended 31.03.16 RM'000	Preceding Year period ended 31.03.15 RM'000
<u>Current taxation</u>				
-current year	483	241	483	241
-prior year	-	-	-	-
	483	241	483	241
<u>Deferred taxation</u>				
-current year	-	40	-	40
	483	281	483	281

The effective tax rate for the period ended 31 March 2016 was higher than the statutory tax rate mainly due to deferred tax assets of profit making subsidiaries that were not recognised previously were lower than losses of other subsidiaries and non tax deductible expenses.

**B8. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Secured</u>			
Overdrafts	6,607	-	6,607
Bills payables	8,623	-	8,623
Term loans	1,580	16,631	18,211
Hire purchase payables	1,480	1,150	2,630
	18,290	17,781	36,071

All borrowings of the Group are denominated in Ringgit Malaysia.

**B9. Realised/Unrealised profits**

	As at 31.03.16 RM'000	As at 31.03.15 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	45,809	44,061
- unrealised	1,779	1,218
	47,588	45,279
Less: Consolidation adjustments	(20,683)	(20,088)
	26,905	25,191

**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 - FIRST QUARTER ENDED 31 MARCH 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 31 March 2016 are as follows:

<u>Type of instruments</u>	<b>Contract/Notional Amount RM'000</b>	<b>Value as at 31.03.16 RM'000</b>	<b>Fair Value gain RM'000</b>
Foreign currency forward contracts			
- Less than 1 year	4,632	4,186	446

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 31 March 2016 (31 March 2015: Nil).

**B13. Earnings Per Share**

The earnings per share for the quarter ended 31 March 2016 is computed as follows:-

	<b>Current Year Quarter ended 31.03.16</b>	<b>Preceding Year Corresponding Quarter ended 31.03.15</b>	<b>Current Year Period ended 31.03.16</b>	<b>Preceding Year Period ended 31.03.15</b>
Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	333	766	333	766
Weighted average number of shares ('000)	243,000	243,000	243,000	243,000
Basic Earnings Per Share (sen)*	0.14	0.32	0.14	0.32

\* 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 31 March 2016.

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

Tan Tong Lang (MAICSA 7045482)  
Company Secretary  
Date: 24 May 2016