

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30/9/2016	Quarter	30/9/2016	Period
	RM'000	30/9/2015	RM'000	30/9/2015
		RM'000		RM'000
<b>Continuing Operations:</b>				
Revenue	18,138	19,838	65,919	65,712
Cost of sales	(12,043)	(13,093)	(45,261)	(44,970)
Gross profit	<u>6,095</u>	<u>6,745</u>	<u>20,658</u>	<u>20,742</u>
Other income	111	594	841	1,095
Operating expenses	(4,989)	(5,999)	(16,591)	(17,951)
Finance costs	(495)	(466)	(1,450)	(1,416)
<b>Profit before taxation</b>	<u>722</u>	<u>874</u>	<u>3,458</u>	<u>2,470</u>
Taxation	(281)	(335)	(1,036)	(746)
<b>Profit for the period</b>	<u>441</u>	<u>539</u>	<u>2,422</u>	<u>1,724</u>
Other comprehensive income ("OCI")	-	-	-	-
<b>Total comprehensive income for the period</b>	<u><u>441</u></u>	<u><u>539</u></u>	<u><u>2,422</u></u>	<u><u>1,724</u></u>
<b>Attributable to:</b>				
Owners of the Company	561	373	2,301	1,454
Non-controlling interest	(120)	166	121	270
	<u>441</u>	<u>539</u>	<u>2,422</u>	<u>1,724</u>
<b>Earnings per share</b>				
- Earnings per share (sen)*	<u>0.23</u>	<u>0.15</u>	<u>0.95</u>	<u>0.60</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.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**  
(The figures have not been audited)

	(Unaudited) As At End of Current Period 30/9/2016 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	53,051	56,458
Deferred taxation	703	703
	<u>53,754</u>	<u>57,161</u>
<b>Current assets</b>		
Property development cost	45,591	21,880
Inventories	15,277	15,270
Trade receivables	22,154	25,176
Other receivables, deposits and prepayments	1,907	1,462
Tax recoverable	-	469
Fixed deposit	1,530	1,266
Forward exchange contracts	45	69
Short term funds	131	129
Cash and bank balances	6,518	3,635
	<u>93,153</u>	<u>69,356</u>
<b>TOTAL ASSETS</b>	<u><u>146,907</u></u>	<u><u>126,517</u></u>
<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	28,873	26,572
	<u>72,901</u>	<u>70,600</u>
Non-controlling interest	610	489
<b>Total equity</b>	<u>73,511</u>	<u>71,089</u>
<b>Non-current liabilities</b>		
Term loans	27,404	11,620
Hire purchase payables	736	1,439
	<u>28,140</u>	<u>13,059</u>
<b>Current liabilities</b>		
Trade payables	14,378	10,098
Other payables and accruals	16,157	15,207
Amount due to director	2	37
Bank overdrafts	4,754	8,415
Bills payable	7,289	5,515
Hire purchase payables	1,130	1,518
Term loans	1,469	1,579
Provision for taxation	77	-
	<u>45,256</u>	<u>42,369</u>
<b>Total liabilities</b>	<u>73,396</u>	<u>55,428</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>146,907</u></u>	<u><u>126,517</u></u>
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 THIRD QUARTER ENDED 30 SEPTEMBER 2016**

(The figures have not been audited)

	<b>/--Attributable to Equity Holders of the Company--/</b>				Non- Controlling Interest	Total Equity
	<b>/---Non-distributable---/</b>	<b>Distributable</b>				
	Share Capital	Share Premium	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2016</b>	<b>24,300</b>	<b>19,728</b>	<b>26,572</b>	<b>70,600</b>	<b>489</b>	<b>71,089</b>
Total comprehensive income for the period	-	-	2,301	2,301	121	2,422
<b>At 30 September 2016</b>	<b>24,300</b>	<b>19,728</b>	<b>28,873</b>	<b>72,901</b>	<b>610</b>	<b>73,511</b>
<b>At 1 January 2015</b>	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	-	-	1,454	1,454	270	1,724
<b>At 30 September 2015</b>	<b>24,300</b>	<b>19,728</b>	<b>25,879</b>	<b>69,907</b>	<b>374</b>	<b>70,281</b>

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 SEPTEMBER 2016  
(The figures have not been audited)**

	<b>Current Year Period ended 30/9/2016 RM'000</b>	<b>Preceding Year Period ended 30/9/2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,458	2,470
Non-cash items	3,722	3,706
Non-operating items	<u>1,146</u>	<u>1,234</u>
Operating profit before working capital changes	<u>8,326</u>	<u>7,410</u>
Inventories	(7)	(734)
Property development costs	(23,711)	-
Trade and other receivables	3,100	185
Trade and other payables	<u>6,563</u>	<u>(2,419)</u>
Cash generated from operations	<u>(5,729)</u>	<u>4,442</u>
Land held for development	-	(5,440)
Tax paid	(809)	(723)
Tax refund	<u>320</u>	<u>368</u>
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<u><b>(6,218)</b></u>	<u><b>(1,353)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(236)	(373)
Interest received	38	28
Proceeds from disposal of property, plant and equipment	<u>12</u>	<u>26</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u><b>(186)</b></u>	<u><b>(319)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged	(264)	(276)
Share par value reduction and bonus issue expenses	-	(316)
Interest paid	(1,288)	(1,262)
Repayment of hire purchase payables	(1,172)	(1,183)
Net drawdown/(repayment) of term loans	<u>15,674</u>	<u>223</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u><b>12,950</b></u>	<u><b>(2,814)</b></u>
Net (decrease)/increase in cash and cash equivalents	<u>6,546</u>	<u>(4,486)</u>
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><b>1,895</b></u>	<u><b>(6,539)</b></u>

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

Bank overdrafts	(4,754)	(10,089)
Cash and bank balances	6,518	3,422
Fixed deposits	1,530	1,179
Short term funds	<u>131</u>	<u>128</u>
	<u>3,425</u>	<u>(5,360)</u>
Less: Fixed deposits pledged to a bank for credit facilities	<u>(1,530)</u>	<u>(1,179)</u>
	<u><b>1,895</b></u>	<u><b>(6,539)</b></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 - THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 - THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2016.

**A8. Dividends Paid**

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

**A9. Segmental Reporting**

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

**Financial period ended 30 September 2016:**

	<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	13,539	-	-	-	13,539
Exports	52,380	-	-	-	52,380
	<u>65,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,919</u>
<b>Results</b>					
Segment Results	6,630	(942)	51	(831)	4,908
Finance costs	(1,726)	(3)	(17)	296	(1,450)
Profit/(Loss) before taxation	4,904	(945)	34	(535)	3,458
Taxation	(983)	-	(53)	-	(1,036)
Profit/(Loss) after taxation	<u>3,921</u>	<u>(945)</u>	<u>(19)</u>	<u>(535)</u>	<u>2,422</u>
<b>Net Assets</b>					
<b>as at 30 September 2016</b>	<u>53,937</u>	<u>(3,401)</u>	<u>47,990</u>	<u>(25,015)</u>	<u>73,511</u>

**Financial period ended 30 September 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	17,559	-	-	-	17,559
Exports	48,153	-	-	-	48,153
	<u>65,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,712</u>
<b>Results</b>					
Segment Results	5,777	(1,457)	(434)	-	3,886
Finance costs	(1,413)	(1)	(2)	-	(1,416)
Profit/(Loss) before taxation	4,364	(1,458)	(436)	-	2,470
Taxation	(746)	-	-	-	(746)
Profit/(Loss) after taxation	<u>3,618</u>	<u>(1,458)</u>	<u>(436)</u>	<u>-</u>	<u>1,724</u>
<b>Net Assets</b>					
<b>as at 30 September 2015</b>	<u>49,913</u>	<u>(2,533)</u>	<u>47,349</u>	<u>(24,448)</u>	<u>70,281</u>

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - THIRD QUARTER ENDED 30 SEPTEMBER 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  
30/9/2016  
RM'000**

Contingent Liabilities (Unsecured)

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

124,196

**A13. Capital Commitments**

Property, plant and machinery

**As at  
30/9/2016  
RM'000**

Contracted but not provided for

239

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - THIRD QUARTER ENDED 30 SEPTEMBER 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 30/9/2016 RM'Million	Preceding Year Corresponding Quarter ended 30/9/2015 RM'Million	Current Year Period ended 30/9/2016 RM'Million	Preceding Year Period ended 30/9/2015 RM'Million
<b>Revenue</b>	<b>18.1</b>	19.8	<b>65.9</b>	65.7
<b>Profit before taxation</b>	<b>0.7</b>	0.9	<b>3.5</b>	2.5

Manufacturing Division

The revenue of 2016 third quarter was recorded at RM18.1 million as compared to RM19.8 million of the corresponding quarter in preceding year, a decrease of RM1.7 million. This was attributed to lower local and export sales.

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 RM0.7 million as compared to RM0.9 million of the corresponding quarter in preceding year, a decrease of RM0.2 million in tandem with the lower revenue generated.

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

	Current Quarter ended 30/9/2016 RM'Million	Preceding Quarter ended 30/6/2016 RM'Million
<b>Revenue</b>	18.1	23.8
<b>Profit before taxation</b>	0.7	1.8

Revenue for current quarter was recorded at RM18.1 million as compared to RM23.8 million of the previous quarter, lower by RM5.7 million attributed to lower sales from both local and export market.

The Group's profit before tax for the current quarter was at RM0.7 million as compared to RM1.8 million of the previous quarter, a decrease of RM1.1 million in tandem with the lower revenue generated.



**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS - THIRD QUARTER ENDED 30 SEPTEMBER 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>30/9/2016</b>	<b>Quarter ended</b>	<b>30/9/2016</b>	<b>30/9/2015</b>
	<b>RM'000</b>	<b>30/9/2015</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>RM'000</b>		<b>RM'000</b>
Interest Income	(14)	(10)	(38)	(28)
Other income including investment income	(4)	(1)	(13)	(2)
Interest expense	450	412	1,288	1,262
Depreciation & amortisation	1,208	1,335	3,722	4,049
Foreign exchange (gain)/loss	(75)	(469)	(442)	(934)
Loss/(Gain) on derivatives	152	527	24	560

**B4. Current Year Prospects**

The overall economic outlook is expected to remain challenging in the last quarter of 2016.

The manufacturing division will continue to improve its operational efficiency in response to the challenging market environment.

Construction works of **Damai Vista** Condominium Project shall continue to progress 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 17 November 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 - THIRD QUARTER ENDED 30 SEPTEMBER 2016****B7. Taxation**

	Current Year Quarter ended 30/9/2016 RM'000	Preceding Year Corresponding Quarter ended 30/9/2015 RM'000	Current Year period ended 30/9/2016 RM'000	Preceding Year period ended 30/9/2015 RM'000
<u>Current taxation</u>				
-current year	281	278	1,036	621
-prior year	-	13	-	13
	<b>281</b>	<b>291</b>	<b>1,036</b>	<b>634</b>
<u>Deferred taxation</u>				
-current year	-	44	-	112
	<b>281</b>	<b>335</b>	<b>1,036</b>	<b>746</b>

The effective tax rate for the period ended 30 September 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 30 September 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<u>Secured</u>			
Overdrafts	4,754	-	4,754
Bills payables	7,289	-	7,289
Term loans	1,469	27,404	28,873
Hire purchase payables	1,130	736	1,866
	<b>14,642</b>	<b>28,140</b>	<b>42,782</b>

All borrowings of the Group are denominated in Ringgit Malaysia.

**B9. Realised/Unrealised profits**

	As at 30/9/2016 RM'000	As at 30/9/2015 RM'000
Total retained earnings of the Company and its subsidiaries		
- realised	49,197	44,850
- unrealised	866	1,366
	<b>50,063</b>	<b>46,216</b>
Less: Consolidation adjustments	(21,190)	(20,337)
	<b>28,873</b>	<b>25,879</b>

**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 - THIRD QUARTER ENDED 30 SEPTEMBER 2016****B11. Derivative Financial Instruments**

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

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

<u>Type of instruments</u>	<b>Contract/Notional Amount RM'000</b>	<b>Value as at 30/9/2016 RM'000</b>	<b>Fair Value gain RM'000</b>
Foreign currency forward contracts - Less than 1 year	6,513	6,468	45

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 September 2016 (30 September 2015: Nil).

**B13. Earnings Per Share**

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

	<b>Current Year Quarter ended 30/9/2016</b>	<b>Preceding Year Corresponding Quarter ended 30/9/2015</b>	<b>Current Year Period ended 30/9/2016</b>	<b>Preceding Year Period ended 30/9/2015</b>
Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	<b>561</b>	373	<b>2,301</b>	1,454
Weighted average number of shares ('000)	<b>243,000</b>	243,000	<b>243,000</b>	243,000
Basic Earnings Per Share (sen)	<b>0.23</b>	0.15	<b>0.95</b>	0.60

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 September 2016.

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

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