

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007  
(The figures have not been audited)**

|   | Individual Quarter                            |  | Cumulative Quarter                            |   |
|---|---|--|---|---|
|   | Current Year<br>Quarter<br>31.12.07<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31.12.06<br>RM'000 | Current Year<br>To Date<br>31.12.07<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31.12.06<br>RM'000 |
| Revenue   | 29,826  | 28,119   | 120,189                                       | 94,458  |
| Cost of sales   | (21,658)                                      | (20,823)   | (89,118)                                      | (70,789)  |
| Gross Profit  | <u>8,168</u>                                  | <u>7,296</u>   | <u>31,071</u>                                 | <u>23,669</u>   |
| Other Income  | 180   | 55   | 359   | 490   |
| Operating expenses  | (5,224)                                       | (4,586)  | (19,800)                                      | (16,735)  |
| Finance costs   | (229)   | (173)  | (818)   | (501)   |
| <b>Profit before tax</b>  | <u>2,895</u>                                  | <u>2,592</u>   | <u>10,812</u>                                 | <u>6,923</u>  |
| Tax expense   | (435)   | (323)  | (1,724)                                       | (1,339)   |
| <b>Profit for the period, attributable to<br/>Shareholders of the Company</b> | <u>2,460</u>                                  | <u>2,269</u>   | <u>9,088</u>                                  | <u>5,584</u>  |
| <b>Earnings per share</b>   |   |  |   |   |
| - Basic earnings per share (sen)  | <u>3.04</u>                                   | <u>2.80</u>  | <u>11.22</u>                                  | <u>6.89</u>   |

Notes:

The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2007**

(The figures have not been audited)

|                                     | (Unaudited)<br>As At End<br>of Current<br>Financial<br>Year<br>31.12.07<br>RM'000 | (Audited)<br>As At End of<br>Preceding<br>Financial<br>Year<br>31.12.06<br>RM'000 |
|-------------------------------------|---|---|
| <b>ASSETS</b>                       |   |   |
| <b>Non-current assets</b>           |   |   |
| Property, plant and equipment       | 43,138  | 41,192  |
| Prepaid lease payments              | 2,453   | 2,381   |
| Investment property                 | -   | 101   |
|                                     | <u>45,591</u>   | <u>43,674</u>   |
| <b>Current assets</b>               |   |   |
| Investment property                 | 100   | -   |
| Inventories                         | 12,959  | 13,961  |
| Trade receivables                   | 31,586  | 27,111  |
| Other receivables                   | 2,244   | 1,342   |
| Tax recoverable                     | 909   | 1,244   |
| Fixed deposits                      | 219   | 212   |
| Short term funds                    | 7,246   | 2,585   |
| Cash and cash at bank               | 1,456   | 4,720   |
|                                     | <u>56,719</u>   | <u>51,175</u>   |
| <b>TOTAL ASSETS</b>                 | <u>102,310</u>  | <u>94,849</u>   |
| <b>EQUITY AND LIABILITIES</b>       |   |   |
| Share capital                       | 40,500  | 40,500  |
| Share premium                       | 3,844   | 3,844   |
| Retained earnings                   | 24,426  | 16,993  |
| <b>Shareholders' equity</b>         | <u>68,770</u>   | <u>61,337</u>   |
| <b>Non-current liabilities</b>      |   |   |
| Loans and borrowings                | 6,688   | 6,797   |
| Deferred taxation                   | 2,117   | 1,757   |
|                                     | <u>8,805</u>  | <u>8,554</u>  |
| <b>Current liabilities</b>          |   |   |
| Trade payables                      | 16,876  | 15,883  |
| Other payables                      | 6,181   | 7,082   |
| Short term borrowings               | 1,614   | 1,968   |
| Amount due to directors             | 30  | 21  |
| Provision for taxation              | 24  | -   |
| Dividend payable                    | 10  | 4   |
|                                     | <u>24,735</u>   | <u>24,958</u>   |
| <b>Total liabilities</b>            | <u>33,540</u>   | <u>33,512</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <u>102,310</u>  | <u>94,849</u>   |
| Net Assets Per Share (RM)           | 0.85  | 0.76  |

Notes:

The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the annual financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2007**

(The figures have not been audited)

|  | Current Year<br>ended<br>31.12.07<br>RM'000 | Preceding Year<br>ended<br>31.12.06<br>RM'000 |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |   |   |
| Profit before taxation                                 | 10,812                                      | 6,923   |
| Adjustments for :                                      |   |   |
| Non-cash items   | 4,519                                       | 2,631   |
| Non-operating items                                    | 367   | 47  |
| Operating profit before working capital changes        | <u>15,698</u>                               | <u>9,601</u>                                  |
| Inventories  | 1,003                                       | (4,290)                                       |
| Trade and other receivables                            | (6,325)                                     | (4,154)                                       |
| Trade and other payables                               | (371)                                       | 5,656   |
| Cash generated from operations                         | <u>10,005</u>                               | <u>6,813</u>                                  |
| Interest received                                      | 145   | 153   |
| Interest paid  | (513)                                       | (200)   |
| Tax paid   | (1,327)                                     | (1,348)                                       |
| Tax refund   | 321   | -   |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>    | <u>8,631</u>                                | <u>5,418</u>                                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |   |   |
| Purchase of fixed assets                               | (4,691)                                     | (14,862)                                      |
| Placement of pledged fixed deposits                    | (7)   | (6)   |
| Proceeds on disposal of fixed assets                   | 17  | 350   |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>           | <u>(4,681)</u>                              | <u>(14,518)</u>                               |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>            |   |   |
| Dividend paid  | (1,649)                                     | (2,037)                                       |
| Repayment of hire purchase payables                    | (1,232)                                     | (915)   |
| Drawdown of hire purchase payables                     | 909   | -   |
| Repayment of term loan                                 | (541)                                       | (393)   |
| Drawdown of term loan                                  | -   | 2,500   |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>           | <u>(2,513)</u>                              | <u>(845)</u>                                  |
| Net increase / (decrease) in cash and cash equivalents | 1,437                                       | (9,945)                                       |
| Cash and cash equivalents at beginning of the year     | 7,265                                       | 17,210  |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR*</b>   | <u>8,702</u>                                | <u>7,265</u>                                  |

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

|   |              |              |
|---|--------------|--------------|
| Cash and bank balances                                      | 1,456        | 4,720        |
| Fixed deposits  | 219          | 212          |
| Short term funds  | 7,246        | 2,585        |
| Bank overdrafts   | -            | (40)         |
|   | <u>8,921</u> | <u>7,477</u> |
| Less: Fixed deposit pledged to a bank for credit facilities | (219)        | (212)        |
|   | <u>8,702</u> | <u>7,265</u> |

Notes:

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual financial statements for the financial year ended 31 December 2006 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 FINANCIAL YEAR ENDED 31 DECEMBER 2007**

(The figures have not been audited)

|   | <u>Non Distributable</u>   |                            | <u>Distributable</u>        | Total<br>Shareholders'<br>Equity<br>RM'000 |                             |
|---|----------------------------|----------------------------|-----------------------------|--|-----------------------------|
|   | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Other<br>Reserves<br>RM'000 |  | Retained Earnings<br>RM'000 |
| <b>At 1 January 2007</b>                              | 40,500                     | 3,844                      | -                           | 16,993                                     | 61,337                      |
| Profit for the year                                   | -                          | -                          | -                           | 9,088                                      | 9,088                       |
| Final dividend for the year ended 31<br>December 2006 | -                          | -                          | -                           | (1,655)                                    | (1,655)                     |
| <b>At 31 December 2007</b>                            | <u>40,500</u>              | <u>3,844</u>               | <u>- #</u>                  | <u>24,426</u>                              | <u>68,770</u>               |
| <b>At 1 January 2006</b>                              |                            |                            |                             |  |                             |
| At previously stated                                  | 40,500                     | 3,844                      | 3,693                       | 9,757                                      | 57,794                      |
| Effects of adopting FRS 3                             | -                          | -                          | (3,693)                     | 3,693                                      | -                           |
| At 1 January 2006 (restated)                          | <u>40,500</u>              | <u>3,844</u>               | <u>-</u>                    | <u>13,450</u>                              | <u>57,794</u>               |
| Profit for the year                                   | -                          | -                          | -                           | 5,584                                      | 5,584                       |
| Final dividend for the year ended 31<br>December 2005 | -                          | -                          | -                           | (2,041)                                    | (2,041)                     |
| <b>At 31 December 2006</b>                            | <u>40,500</u>              | <u>3,844</u>               | <u>-</u>                    | <u>16,993</u>                              | <u>61,337</u>               |

Notes:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**PART A : EXPLANATORY NOTES AS PER FRS 134**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements have been prepared in accordance with the same accounting policies adopted in 2006 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2007 annual financial statements. Details of these changes in accounting policies are set out in Note A2.

The interim financial statements should be read in conjunction with the annual financial statements of Euro Holdings Berhad ("EURO" or the "Company") for the financial year ended 31 December 2006. 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 Company and its subsidiary companies (hereinafter referred to as the "Group") since the financial year ended 31 December 2006. The condensed consolidated interim financial statements and notes thereon however do not include all of the information required for full set of financial statements prepared in accordance with FRSs.

**A2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2006 except for the adoption of the following new/revised FRSs applicable to the Group for financial period beginning on 1 January 2007:

**(a) FRS 117: Leases**

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated as cost less accumulated depreciation. Upon the adoption of FRS117 on 1 January 2007, the unamortised amount of leasehold land was reclassified retrospectively as prepaid lease payments and the comparative amount as at 31 December 2006 has been restated, as disclosed in Note A3.

**(b) FRS 124: Related Party Disclosures**

This new standard affected the identification of related parties and some other related party disclosures. However, there is no financial impact on the adoption of the revised FRS 124.

**A3. Comparatives**

The following comparative amounts have been restated due to the adoption of FRS 117 - Leases :

|                               | <b>As previously stated</b> | <b>Effects on</b><br><b>adoption of</b><br><b>FRS 117</b> | <b>As restated</b> |
|-------------------------------|-----------------------------|---|--------------------|
|                               | <b>RM'000</b>               | <b>(Note A2a)</b><br><b>RM'000</b>                        | <b>RM'000</b>      |
| <b>As at 31 December 2006</b> |                             |   |                    |
| Property, plant and equipment | 43,573                      | (2,381)   | 41,192             |
| Prepaid lease payments        | -                           | 2,381   | 2,381              |
|                               | <hr/>                       | <hr/>   | <hr/>              |

## **EURO HOLDINGS BERHAD**

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### **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **A4. Changes in Estimates**

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at each financial year end. The Group revised the residual values of certain motor vehicles with effect from 1 January 2007. The revisions were accounted for as change in accounting estimates in accordance with FRS 108 and as a result, the depreciation charges for the current year ended 31 December 2007 and future period over the remaining useful life of the assets have increased by RM 120,000 and RM 183,000 respectively.

There were no other changes in estimates that have had a material effect in the current quarter results.

#### **A5. Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31 December 2006 was not qualified.

#### **A6. 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.

#### **A7. 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 period ended 31 December 2007.

#### **A8. Issuances and Repayment of Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter and financial year ended 31 December 2007.

#### **A9. Dividends Paid**

The final dividend of 2.8 sen gross per share less tax at 27% for the financial year ended 31 December 2006 was paid on 17 July 2007.

#### **A10. Segmental Reporting**

Segmental Reporting is not provided as the Group is involved in a single industry segment relating to the manufacturing and trading of office furniture. The operations of the Group are conducted predominantly in Malaysia.

#### **A11. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2006.

#### **A12. Material Events Subsequent to the End of the Interim Period**

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

#### **A13. 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.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A14. Contingent Liabilities and Contingent Assets**

The Group has no material contingent liabilities and contingent assets since the financial year ended 31 December 2007 to 21 February 2008, being a date not earlier than 7 days from the date of this report, save for the following :

| <u>Company</u>   | <b>As at<br/>21.02.08<br/>RM'000</b> |
|--|--------------------------------------|
| <u>Contingent Liabilities (Unsecured)</u>  |                                      |
| - Corporate guarantees to financial institutions for credit facilities granted to subsidiary companies | <u>51,133</u>                        |

**A15. Capital Commitments**

|                                 | <b>As at<br/>31.12.08<br/>RM'000</b> |
|---------------------------------|--------------------------------------|
| Moulds and machinery            |                                      |
| Contracted but not provided for | <u>2,102</u>                         |



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

|                        | <b>Current quarter<br/>ended<br/>31.12.07<br/>RM'Million</b> | <b>Preceding year<br/>corresponding<br/>quarter ended<br/>31.12.06<br/>RM'Million</b> | <b>Current Year<br/>ended<br/>31.12.07<br/>RM'Million</b> | <b>Preceding Year<br/>ended<br/>31.12.06<br/>RM'Million</b> |
|------------------------|--|---|---|---|
| Revenue                | 29.8   | 28.1  | 120.2   | 94.5  |
| Profit before taxation | 2.9  | 2.6   | 10.8  | 6.9   |

The Group recorded revenue of RM 29.8 million and RM 120.2 million respectively for the current quarter and the year ended 31 December 2007 as compared to RM 28.1 million and RM 94.5 million in the preceding year's corresponding quarter and period. This represents an increase of RM 1.7 million and RM 25.7 million or 6.0% and 27.2% in revenue than that of its corresponding quarter and period. Both domestic and export market recorded higher sales with more projects secured and completed in the current year. The completion of the third plant at end of 2006 also boosted the production capacity of the Group in the current financial year.

The Group achieved higher profit before taxation of RM 2.9 million for the current quarter and RM 10.8 million for the current period in line with higher revenues achieved. The Group also achieved better production efficiency that improved the gross profit margin of the Group from 25.1% in 2006 to 25.9% in the current year.

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

|                               | <b>Current<br/>Quarter ended<br/>31.12.07<br/>RM'Million</b> | <b>Preceding<br/>Quarter ended<br/>30.09.07<br/>RM'Million</b> |
|-------------------------------|--|--|
| <b>Revenue</b>                | 29.8   | 35.8   |
| <b>Profit before taxation</b> | 2.9  | 3.6  |

Revenue decreased to RM 29.8 million in the current quarter as compared to RM 35.8 million in the preceding quarter, representing a decrease of 16.8%. The previous quarter's revenue was relatively good with a lot of projects secured and completed during that period. Accordingly, profit before taxation in the quarter also decreased in line with lower revenue achieved.

**B3. Prospects for the Next Financial Year**

Price of raw material is anticipated to continue with its upward trend. This will likely affect the cost of production of the Group. As countering measures, the Group will focus on improving its production efficiency, R&D efforts and brand building.

The Board of Directors is optimistic that the Group's move to enhance itself as a furniture design manufacturer will enable the Group to achieve sustainable long term growth. The Group targets a revenue growth of 20% in 2008 which will be underpinned by the following:

- (a) the increase in supply of system furniture and components for overseas contract manufacturing
- (b) continuous new product development
- (c) development and expansion of new and existing export markets.

**B4. Variance of Actual and Forecast Profit**

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

**B5. Corporate Proposal**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

There were no corporate proposals announced but not completed as at 21 February 2008, being a date not earlier than 7 days from the date of this report.

**B6. Taxation**

|   | <b>Current Year</b>  | <b>Preceding Year</b> | <b>Current Year</b>  | <b>Preceding Year</b> |
|---|----------------------|-----------------------|----------------------|-----------------------|
|   | <b>Quarter ended</b> | <b>Corresponding</b>  | <b>Quarter ended</b> | <b>Quarter ended</b>  |
|   | <b>31.12.07</b>      | <b>Quarter ended</b>  | <b>31.12.07</b>      | <b>31.12.06</b>       |
|   | <b>RM'000</b>        | <b>RM'000</b>         | <b>RM'000</b>        | <b>RM'000</b>         |
| Current taxation                                  |                      |                       |                      |                       |
| - current   | 446                  | (7)                   | 1,608                | 764                   |
| - prior year                                      | -                    | (90)                  | (28)                 | (90)                  |
|   | <u>446</u>           | <u>(97)</u>           | <u>1,580</u>         | <u>674</u>            |
| Deferred taxation                                 |                      |                       |                      |                       |
| Origination and reversal of temporary differences |                      |                       |                      |                       |
| - current   | 172                  | 423                   | 327                  | 668                   |
|   | -                    | (3)                   | -                    | (3)                   |
|   | <u>618</u>           | <u>323</u>            | <u>1,907</u>         | <u>1,339</u>          |

The effective tax rate for the current quarter and year ended 31 December 2007 was lower than the statutory income tax rate primarily due to the utilisation of reinvestment allowances and the qualification of 20% tax rate for the first RM 500,000 of taxable income for certain subsidiary companies.

**B7. Sale of Unquoted Investments and/or Properties**

There were no sale of unquoted investments and/or properties for the current quarter and financial year ended 31 December 2007 except for the following:

On 24 October 2007, Euro Space System Sdn Bhd, a wholly owned subsidiary of the Company, entered into a sales and purchase agreement with Chia Kian Kiang to dispose off an office shoplot measuring 1,560 square feet held under master title no H.S.(D) No. 94663, P.T. No. 28589D, Mukim of Sungai Buluh, Daerah Petaling Jaya, Selangor for a cash consideration of RM 118,000.

There disposal has not been completed as at year end or the date of this report.

**B8. Purchase or Disposal of Quoted Securities**

There were no purchases or disposals of quoted securities for the current quarter and financial year ended 31 December 2007.

**B9. Group Borrowings and Debt Securities**

The Group's borrowings as at 31 December 2007 are as follows:

|                        | <b>Short Term</b> | <b>Long Term</b> | <b>Total</b>  |
|------------------------|-------------------|------------------|---------------|
|                        | <b>RM'000</b>     | <b>RM'000</b>    | <b>RM'000</b> |
| <b><i>Secured</i></b>  |                   |                  |               |
| Term loans             | 554               | 5,027            | 5,581         |
| Hire purchase payables | 1,060             | 1,661            | 2,721         |
|                        | <u>1,614</u>      | <u>6,688</u>     | <u>8,302</u>  |

All borrowings of the Group are denominated in Ringgit Malaysia.

**EURO HOLDINGS BERHAD**

(Company No. 646559-T)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS****B10. Off Balance Sheet Financial Instruments**

Forward foreign exchange contracts were entered into by subsidiary companies to manage exposure to fluctuations in foreign currency exchange rates on specific transactions and to hedge its sales orders denominated in foreign currencies. The transactions in foreign currencies are booked in at the prevailing market rates. Exchange gains or losses arising on contracts are deferred until the date of transaction.

As at 21 February 2008, the notional amount for forward foreign exchange contracts that were entered into as hedges for purchase of machinery and sales were RM1.5 million and RM 2.1million respectively. These amounts represent the future cash flows under the contracts to purchase and sell the foreign currencies. The settlement periods of these forward contracts range between 1 month and 4 months.

The Group has no significant concentrations of credit risk and market risk in relation to the above off-balance sheet financial instruments because of low risk of non-performance by counterparties and pre-determined exchange rates under such contracts.

**B11. Material Litigation**

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

**B12. Dividend**

The Board of Directors proposed to declare a first and final tax exempt dividend of 2.8 sen per ordinary share of RM 0.50 each for the financial year ended 31 December 2007 (2006: Final gross dividend of 2.8 sen less 27% tax). The proposed dividend will be subject to shareholders' approval at the forthcoming Annual General Meeting to be held on a date to be announced later. The date for the book closure of the Record of Depositors for determining dividend entitlement and the date of payment will be announced at a later date.

**B13. Earnings Per Share**

The basic earnings per share for the quarter ended 31 December 2007 is computed as follows:-

|   | <b>Current Year</b>  | <b>Preceding Year</b> | <b>Current Year</b>  | <b>Preceding Year</b> |
|---|----------------------|-----------------------|----------------------|-----------------------|
|   | <b>Quarter ended</b> | <b>Corresponding</b>  | <b>Quarter ended</b> | <b>Preceding Year</b> |
|   | <b>31.12.07</b>      | <b>Quarter ended</b>  | <b>ended</b>         | <b>ended</b>          |
|   |                      | <b>31.12.06</b>       | <b>31.12.07</b>      | <b>31.12.06</b>       |
| Profit for the period, attributable to shareholders of the Company (RM'000) | 2,460                | 2,269                 | 9,088                | 5,584                 |
| Weighted average number of shares of RM0.50 each in issue ('000)            | 81,000               | 81,000                | 81,000               | 81,000                |
| Basic Earnings Per Share (sen)  | 3.04                 | 2.80                  | 11.22                | 6.89                  |

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the current quarter and financial year ended 31 December 2007.

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

Tai Keat Chai

Company Secretary  
(MIA 1688)

Date: 28 February 2008

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**