

P R O S P E C T U S



EURO HOLDINGS BERHAD

(Company No.: 646559-T)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 20,250,000 NEW ORDINARY SHARES OF RM0.50 EACH COMPRISING:

- 6,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC AT AN ISSUE PRICE OF RM0.75 PER SHARE PAYABLE IN FULL ON APPLICATION;
- 11,250,000 NEW ORDINARY SHARES OF RM0.50 EACH BY WAY OF PRIVATE PLACEMENT AT AN ISSUE PRICE OF RM0.75 PER SHARE PAYABLE IN FULL ON APPLICATION; AND
- 3,000,000 NEW ORDINARY SHARES OF RM0.50 EACH AVAILABLE FOR APPLICATION BY THE ELIGIBLE EMPLOYEES AND BUSINESS ASSOCIATES OF EURO HOLDINGS BERHAD AND ITS SUBSIDIARIES AT AN ISSUE PRICE OF RM0.75 PER SHARE PAYABLE IN FULL ON APPLICATION

IN CONJUNCTION WITH THE LISTING OF EURO HOLDINGS BERHAD ON THE SECOND BOARD OF BURSA MALAYSIA SECURITIES BERHAD (FORMERLY KNOWN AS MALAYSIA SECURITIES EXCHANGE BERHAD)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" IN SECTION 3 OF THIS PROSPECTUS

Adviser, Underwriter and Placement Agent



HWANG-DBS SECURITIES BERHAD
(Company No.:14389-U)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

THIS PROSPECTUS IS DATED 28 DECEMBER 2004

P R O S P E C T U S

EURO HOLDINGS BERHAD



THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF EURO HOLDINGS BERHAD ("EHB" OR "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION GIVEN HEREIN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS OF EHB HEREBY ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE CONSOLIDATED PROFIT ESTIMATE AND FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

HWANG-DBS SECURITIES BERHAD, BEING THE ADVISER, UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND IS SATISFIED THAT THE PROFIT ESTIMATE AND FORECAST (FOR WHICH THE DIRECTORS OF THE COMPANY ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE ISSUE IN RESPECT OF THE PUBLIC OFFERING ON 13 SEPTEMBER 2004 AND 16 DECEMBER 2004 AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC OFFERING. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE SECOND BOARD OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, COMPANY OR OF ITS SECURITIES.

THE ISSUE PRICE OF RM0.75 PER SHARE WAS DETERMINED AND AGREED UPON BY EHB AND HWANG-DBS SECURITIES BERHAD AS THE ADVISER, UNDERWRITER AND PLACEMENT AGENT, BASED ON VARIOUS FACTORS. INVESTORS SHOULD FORM THEIR OWN VIEWS ON THE VALUATION OF THE SECURITIES AND THE REASONABLENESS OF THE BASES USED.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Second Board of Bursa Securities is set out below:

Event	Tentative Date
Opening date of Application	28 December 2004
Closing date of Application	*11 January 2005
Balloting of Application	14 January 2005
Allotment of shares	18 January 2005
Despatch of Notices of Allotment	24 January 2005
Listing of and quotation for the Company's entire enlarged issued and paid-up share capital on the Second Board of Bursa Securities	25 January 2005

- * *This timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. The Directors and the Underwriter may in their discretion mutually decide to extend the closing date of the application to a later date. Should the closing date of the application be extended, the dates for the allotment of the Public Issue Shares and the listing of and quotation for the entire enlarged issued and paid-up share capital of EHB on the Second Board of Bursa Securities would be extended accordingly. EHB will notify the public via an advertisement in a widely circulated English and Bahasa Malaysia newspaper in the event there is an extension of time on the closing date of the application.*

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following abbreviations shall have the following meanings:

“Acquisitions”	:	Acquisition by EHB of: <ul style="list-style-type: none"> (a) 800,048 ordinary shares of RM1.00 each representing the entire equity interest in ECM for a purchase consideration of RM1,820,235 which was fully satisfied by the issuance of 3,578,620 new EHB Shares at approximately RM0.51 per Share; (b) 660,012 ordinary shares of RM1.00 each representing the entire equity interest in ECS for a purchase consideration of RM10,080,899 which was fully satisfied by the issuance of 19,819,259 new EHB Shares at approximately RM0.51 per Share; (c) 2,000,000 ordinary shares of RM1.00 each representing the entire equity interest in ESI for a purchase consideration of RM6,462,501 which was fully satisfied by the issuance of 12,705,413 new EHB Shares at approximately RM0.51 per Share; (d) 200,000 ordinary shares of RM1.00 each representing the entire equity interest in ESS for a purchase consideration of RM5,334,373 which was fully satisfied by the issuance of 10,487,489 new EHB Shares at approximately RM0.51 per Share; and (e) 2 ordinary shares of RM1.00 each representing the entire equity interest in ECSB for a cash consideration of RM2
“Act”	:	Companies Act, 1965
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“AFTA”	:	ASEAN Free Trade Area
“Application”	:	Application for the Public Issue Shares by way of Application Form and by way of Electronic Share Application
“Application Form(s)”	:	The printed application form(s) for the application of Public Issue Shares accompanying this Prospectus
“ATM”	:	Automatic Teller Machine
“Board”	:	Board of Directors
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (<i>formerly known as Malaysia Securities Exchange Berhad</i>) (635998-W)
“CAGR”	:	Compounded annual growth rate
“CCM”	:	Companies Commission of Malaysia
“CDS”	:	Central Depository System
“CNC”	:	Computer Numerical Control

DEFINITIONS (Cont'd)

“Depository”	:	Bursa Malaysia Depository Sdn Bhd (<i>formerly known as Malaysian Central Depository Sdn Bhd</i>) (165570-W)
“EBITDA”	:	Earnings before interest, taxation, depreciation and amortisation
“ECM”	:	Euro Chairs Manufacturer (M) Sdn Bhd (164921-X)
“ECS”	:	Euro Chairs System Sdn Bhd (121935-M)
“ECSB”	:	Euro Chairs (M) Sdn Bhd (204498-V)
“EHB” or “Company”	:	Euro Holdings Berhad (646559-T)
“EHB Group” or “Group”	:	EHB and its subsidiaries, collectively
“EHB Shares” or “Shares”	:	Ordinary shares of RM0.50 each in EHB
“Electronic Share Application” or “ESA”	:	Application for the Public Issue Shares through a Participating Financial Institution’s ATM
“EPS”	:	Earnings per Share
“Ergonomics”	:	An applied science concerned with designing and arranging things people use so that the people and things interact most efficiently and safely
“ESI”	:	Euro Space Industries (M) Sdn Bhd (105420-W)
“ESS”	:	Euro Space System Sdn Bhd (378220-D)
“FIC”	:	Foreign Investment Committee
“GDP”	:	Gross domestic product
“IOFM”	:	Integrated office furniture manufacturers
“Issue Price”	:	The issue price of RM0.75 per Public Issue Share
“MIDA”	:	Malaysian Industrial Development Authority
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sendirian Berhad (11324-H)
“MITI”	:	Ministry of International Trade and Industry
“NASB”	:	Nusa Abadi Sdn Bhd (666147-T)
“NBV”	:	Net book value
“NTA”	:	Net tangible assets

DEFINITIONS (Cont'd)

“OBM”	:	Original brand manufacturing
“OEM”	:	Original equipment manufacturing
“Participating Financial Institutions”	:	Participating financial institutions for Electronic Share Application as listed in Section 14.5.2(xv) of this Prospectus
“PAT”	:	Profit after tax
“PBT”	:	Profit before tax
“PE Multiple”	:	Price earnings multiple
“Public Issue”	:	Public issue of 20,250,000 new EHB Shares at an issue price of RM0.75 per Share payable in full upon Application
“Public Issue Shares”	:	20,250,000 new EHB Shares to be issued pursuant to the Public Issue, subject to the terms and conditions of this Prospectus
“R&D”	:	Research and development
“Rights Issue”	:	Renounceable rights issue of 14,159,215 new EHB Shares at par on the basis of approximately 3.04 new Shares for every 10 Shares held after the Acquisitions
“RM”	:	Ringgit Malaysia
“SC”	:	Securities Commission
“SC Guidelines”	:	SC’s Policies and Guidelines on Issue/Offer of Securities
“SMEs”	:	Small medium enterprises
“Sq. ft.”	:	Square feet
“USA”	:	United States of America
“USD”	:	United States Dollar

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Dato' Mohd Haniff Bin Abd Aziz <i>(Non-Executive Chairman)</i>	VR-3-5(C) Kondominium Tiara Ampang Taman Dato' Ahmad Razali Batu 4½, Jalan Aman 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian
Lew Fatt Sin <i>(Group Managing Director)</i>	34, Jalan Sibu 3 Taman Wahyu 68100 Batu Caves Kuala Lumpur	Company Director	Malaysian
Law Sim Shee <i>(Executive Director)</i>	34, Jalan Sibu 3 Taman Wahyu 68100 Batu Caves Kuala Lumpur	Company Director	Malaysian
Lew Hin <i>(Executive Director)</i>	16, Jalan 62C/3 Taman Menjalara, Kepong 52100 Kuala Lumpur	Company Director	Malaysian
Teh Hock Toh <i>(Executive Director)</i>	No. 3A-07-04, Bungaraya Condominium Saujana Resort, Section U2 46150 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Foong Yein Teng <i>(Executive Director)</i>	No. 37 Jalan Midah 7 Taman Midah, Cheras 56000 Kuala Lumpur	Company Director	Malaysian
Datuk Dr Syed Muhamad bin Syed Abdul Kadir <i>(Independent Non-Executive Director)</i>	10, Jalan SS5D/3 47301 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Ng Wai Pin <i>(Independent Non-Executive Director)</i>	3-1-1, Sri Kia Peng Condo Jalan Changkat Kia Peng 50450 Kuala Lumpur	Advocate and Solicitor	Malaysian
Pua Kah Ho <i>(Independent Non-Executive Director)</i>	No. 55, Jalan SU 40 Taman Selayang Utama 68100 Batu Caves Selangor Darul Ehsan	Company Director	Malaysian

CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Datuk Dr Syed Muhamad bin Syed Abdul Kadir	Chairman	Independent Non-Executive Director
Ng Wai Pin	Member	Independent Non-Executive Director
Foong Yein Teng	Member	Executive Director

COMPANY SECRETARIES

Tai Keat Chai (MIA 1688)
 17 Jalan SS20/22
 47400 Petaling Jaya
 Selangor Darul Ehsan

Lim Hooi Chin (MAICSA 7025949)
 C3-14, Block C
 Jalan Maju 2/1
 Taman Lembah Maju
 56100 Kuala Lumpur

REGISTERED OFFICE

Suite 1603, 16th Floor
 Wisma Lim Foo Yong
 86 Jalan Raja Chulan
 50200 Kuala Lumpur
 Tel: 03-2732 1377

HEAD OFFICE

Wisma Euro Lot 21
 Rawang Industrial Estate
 48000 Rawang
 Selangor Darul Ehsan
 Tel: 03-6092 6666
 Fax: 03-6092 5000
 Email: sales@eurochairs.com
 Website: www.eurochairs.com

AUDITORS AND REPORTING ACCOUNTANTS

HALS & Associates (A.F. 0755)
 Chartered Accountants
 Suite 1602, 16th Floor
 Wisma Lim Foo Yong
 86, Jalan Raja Chulan
 50200 Kuala Lumpur
 Tel: 03-2732 0322

SOLICITORS

Teh & Lee
 Unit 23-3 (Block SB12)
 The Boulevard, Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur
 Tel: 03-2283 2800

CORPORATE DIRECTORY (Cont'd)

ISSUING HOUSE

MIDF Consultancy and Corporate Services Sendirian Berhad
(11324-H)
12th Floor, Bangunan MIDF
195A, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2161 3355

REGISTRAR

Epsilon Registration Services Sdn Bhd (629261-T)
312, 3rd Floor, Block C, Kelana Square
17, Jalan SS 7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7806 2116

**INDEPENDENT MARKET
RESEARCHER**

Infocredit D&B (Malaysia) Sdn Bhd (527570-M)
Level 9-3A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-2718 1000

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd (295409-T)
197 / 199, Jalan Imbi
55100 Kuala Lumpur
Tel: 03 – 2143 5722

Hong Leong Bank Berhad (97141-X)
1 Jalan Ambong Kiri Dua
Kepong Baru
52100 Kuala Lumpur
Tel: 03 – 6257 4033

EON Bank Berhad (92351-V)
Level 12, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur
Tel: 03 – 2694 1188

AmBank Berhad (295576-U)
Level 18, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03 – 2026 3939

**ADVISER, UNDERWRITER AND
PLACEMENT AGENT**

Hwang-DBS Securities Berhad (14389-U)
Suite 23A-01, 23A Floor
Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: 03 – 2143 7888

LISTING SOUGHT

Second Board of Bursa Securities