

EURO HOLDINGS BERHAD
(Company No. 646559-T)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2018
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/9/2018 RM'000	(Restated) Preceding Year Corresponding Quarter 30/9/2017 RM'000	Current Year To Date 30/9/2018 RM'000	(Restated) Preceding Year Corresponding Period 30/9/2017 RM'000
Continuing Operations:				
Revenue	25,956	22,760	73,413	58,866
Cost of sales	(20,631)	(17,422)	(59,716)	(45,240)
Gross profit	<u>5,325</u>	<u>5,338</u>	<u>13,697</u>	<u>13,626</u>
Other income	33	179	593	822
Operating expenses	(4,449)	(4,697)	(13,792)	(15,040)
Finance costs	(639)	(357)	(1,657)	(1,187)
Profit/(Loss) before taxation	<u>270</u>	<u>463</u>	<u>(1,159)</u>	<u>(1,779)</u>
Taxation	(265)	(159)	(947)	(793)
Profit/(Loss) for the period	<u>5</u>	<u>304</u>	<u>(2,106)</u>	<u>(2,572)</u>
Other comprehensive income ("OCI")	-	-	-	-
Total comprehensive income/(loss) for the period	<u>5</u>	<u>304</u>	<u>(2,106)</u>	<u>(2,572)</u>
Attributable to:				
Owners of the Company	(34)	283	(2,116)	(2,665)
Non-controlling interest	39	21	10	93
	<u>5</u>	<u>304</u>	<u>(2,106)</u>	<u>(2,572)</u>
Earnings per share				
- Earnings per share (sen)	<u>(0.01)</u>	<u>0.11</u>	<u>(0.79)</u>	<u>(1.08)</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

EURO HOLDINGS BERHAD

(Company No. 646559-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

(The figures have not been audited)

	(Unaudited) As At 30/9/2018 RM'000	(Restated) As At 31/12/2017 RM'000	(Restated) As At 1/1/2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	45,828	48,509	52,327
Deferred tax assets	-	-	1,702
	<u>45,828</u>	<u>48,509</u>	<u>54,029</u>
Current assets			
Property development cost	54,515	44,130	42,140
Inventories	14,332	14,399	14,911
Trade receivables	23,836	45,298	33,087
Other receivables, deposits and prepayments	2,056	1,841	1,666
Tax recoverable	310	449	445
Fixed deposit	4,789	2,782	1,641
Forward exchange contracts	6	71	-
Short term funds	65	90	132
Cash and bank balances	3,237	2,795	5,215
	<u>103,146</u>	<u>111,855</u>	<u>99,237</u>
TOTAL ASSETS	<u>148,974</u>	<u>160,364</u>	<u>153,266</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	48,402	48,402	24,300
Share Premium	-	-	19,728
Retained Earnings	29,327	31,443	32,402
	<u>77,729</u>	<u>79,845</u>	<u>76,430</u>
Non-controlling interest	942	966	889
Total equity	<u>78,671</u>	<u>80,811</u>	<u>77,319</u>
Non-current liabilities			
Term loans and bridging loans	14,668	18,738	30,479
Hire purchase payables	49	88	554
Deferred tax liabilities	44	44	-
	<u>14,761</u>	<u>18,870</u>	<u>31,033</u>
Current liabilities			
Trade payables	20,828	17,005	19,035
Other payables and accruals	16,027	17,577	9,816
Amount due to director	14	4	4
Bank overdrafts	10,548	6,629	5,556
Bills payable	5,093	4,595	5,189
Hire purchase payables	83	466	953
Term loans and bridging loans	2,921	14,407	4,097
Forward exchange contracts	28	-	264
Provision for taxation	-	-	-
	<u>55,542</u>	<u>60,683</u>	<u>44,914</u>
Total liabilities	<u>70,303</u>	<u>79,553</u>	<u>75,947</u>
TOTAL EQUITY AND LIABILITIES	<u>148,974</u>	<u>160,364</u>	<u>153,266</u>
Net Assets Per Share (RM)	0.29	0.30	0.31

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 2017 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 QUARTER ENDED 30 SEPTEMBER 2018
(The figures have not been audited)**

	/--Attributable to Equity Holders of the Company--/ /---Non-distributable---/				Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2018						
- as previously reported	48,402	-	26,384	74,786	966	75,752
- effect of adoption of MFRS 15	-	-	5,059	5,059	-	5,059
Restated at 1 January 2018	48,402	-	31,443	79,845	966	80,811
Dividends paid	-	-	-	-	(34)	(34)
Total comprehensive income/(loss) for the period	-	-	(2,116)	(2,116)	10	(2,106)
At 30 SEPTEMBER 2018	48,402	-	29,327	77,729	942	78,671
At 1 January 2017						
- as previously reported	24,300	19,728	29,984	74,012	889	74,901
- effect of adoption of MFRS 15	-	-	2,418	2,418	-	2,418
Restated at 1 January 2017	24,300	19,728	32,402	76,430	889	77,319
Issuance of shares	4,374	-	-	4,374	-	4,374
Total comprehensive income for the period	-	-	(2,665)	(2,665)	93	(2,572)
At 30 SEPTEMBER 2017 (restated)	28,674	19,728	29,737	78,139	982	79,121

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 2017 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 30 SEPTEMBER 2018
(The figures have not been audited)**

	Current Period Ended 30/9/2018 RM'000	(Restated) Preceding Period Ended 30/9/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,158)	(1,779)
Non-cash items	2,792	3,266
Non-operating items	1,240	263
Operating profit before working capital changes	<u>2,874</u>	<u>1,750</u>
Inventories	67	254
Property development costs	(10,385)	194
Trade and other receivables	(3,065)	(8,158)
Trade and other payables	27,477	2,447
Cash generated from operations	<u>16,968</u>	<u>(3,513)</u>
Tax paid	(1,044)	(1,186)
Tax refund	202	464
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	<u>16,126</u>	<u>(4,235)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(122)	(343)
Interest received	39	94
Proceeds from disposal of property, plant and equipment	4	77
NET CASH USED IN INVESTING ACTIVITIES	<u>(79)</u>	<u>(172)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits pledged	(2,007)	(2,507)
Interest paid	(1,529)	(1,063)
Repayment of hire purchase payables	(422)	(771)
Withdrawn of fixed deposit	-	1,366
Dividends paid to non-controlling interest by subsidiary	(34)	-
Proceeds from issuance of ordinary shares	-	4,374
Net drawdown/(repayment) of term loans and bridging loans	(15,557)	3,959
NET CASH USED IN FINANCING ACTIVITIES	<u>(19,549)</u>	<u>5,358</u>
Net (decrease)/increase in cash and cash equivalents	(3,502)	951
Cash and cash equivalents at beginning of the financial period	(3,744)	(208)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*	<u>(7,246)</u>	<u>743</u>

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

Bank overdrafts	(10,548)	(6,100)
Cash and bank balances	3,237	6,753
Fixed deposits	4,789	2,782
Short term funds	65	90
	<u>(2,457)</u>	<u>3,525</u>
Less: Fixed deposits pledged to a bank for credit facilities	(4,789)	(2,782)
	<u>(7,246)</u>	<u>743</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

EURO HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018

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 2017. 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 2017.

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 2017, except for the adoption of the MFRSs, amendments and interpretations which are effective from the annual financial period beginning 1 January 2018.

The adoption of the MFRSs, amendments and interpretations did not have any significant impact to the financial statements of the Group except as described below:

Application of MFRS 15 Revenue from Contracts with Customers

Adoption of this MFRS requires the Group to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group recognises revenue from property development over time if it has an enforceable right to payment for performance completed to date.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Group has, recognised the incremental costs of obtaining a contract with a customer which are expected to be recovered as an asset.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018

Effect of
adoption of
MFRS 15 and
reclassification

	As previously reported RM'000	RM'000	As restated RM'000
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The effect arising from the adoption of MFRS 15 on the statements of financial position is as follows:

As at 1 January 2017

Current Assets			
Property Development Cost	58,069	(15,929)	42,140
Trade Receivables	21,221	11,866	33,087
Current Liabilities			
Trade Payables	25,516	(6,481)	19,035
Equity attributable to equity holders of the Company			
Retained earnings	29,984	2,418	32,402

As at 31 December 2017

Current Assets			
Property Development Cost	83,464	(39,334)	44,130
Trade Receivables	18,550	26,748	45,298
Current Liabilities			
Trade Payables	34,650	(17,645)	17,005
Equity attributable to equity holders of the Company			
Retained earnings	26,384	5,059	31,443

The effect arising from the adoption of MFRS 15 on the statements of comprehensive income is as follows:

For the quarter ended 30 September 2017

Revenue	15,795	6,965	22,760
Cost of sale	(11,264)	(6,158)	(17,422)
(Loss)/Profit Attributable to: Owners of the Company	(524)	807	283

For the cumulative period ended 30 September 2017

Revenue	44,459	14,407	58,866
Cost of sale	(32,210)	(13,030)	(45,240)
(Loss)/Profit Attributable to: Owners of the Company	(4,042)	1,377	(2,665)

EURO HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018

	As previously reported RM'000	Effect of adoption of MFRS 15 and reclassification RM'000	As restated RM'000
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The effect arising from the adoption of MFRS 15 on the statements of cash flows is as follows:

For the period ended 30/9/2017**CASH FLOWS FROM OPERATING ACTIVITIES**

(Loss)/Profit before taxation	(3,156)	1,377	(1,779)
Non-cash items	3,266		3,266
Non-operating items	263		263
Operating profit before working capital changes	373		1,750
Inventories	254		254
Property development costs	(12,836)	13,030	194
Trade and other receivables	4,029	(12,187)	(8,158)
Trade and other payables	4,667	(2,220)	2,447
Cash generated from operations	(3,513)		(3,513)

A3. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2017 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 2018.

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 - QUARTER ENDED 30 SEPTEMBER 2018**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 2018.

A8. Dividends Paid

No dividends were paid by the Company in the current quarter and period ended 30 September 2018.

A9. Segmental Reporting

For the financial period ended 30 September 2018, the Group's financial information is analysed by operating segments as follows:

Financial period ended 30 September 2018:

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue					
Local	16,527	27,630	-	-	44,157
Exports	29,256	-	-	-	29,256
	<u>45,783</u>	<u>27,630</u>	<u>-</u>	<u>-</u>	<u>73,413</u>
Results					
Segment Results	1,543	251	1,373	(2,669)	498
Finance costs	(1,996)	(29)	(48)	416	(1,657)
Profit/(Loss) before taxation	(453)	222	1,325	(2,253)	(1,159)
Taxation	(536)	(87)	(324)	-	(947)
Profit/(Loss) after taxation	<u>(989)</u>	<u>135</u>	<u>1,001</u>	<u>(2,253)</u>	<u>(2,106)</u>
Net Assets as at 30 September 2018	<u>53,407</u>	<u>393</u>	<u>54,523</u>	<u>(29,652)</u>	<u>78,671</u>

Financial period ended 30 September 2017 (restated):

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue					
Local	10,157	14,407	-	-	24,564
Exports	34,302	-	-	-	34,302
	<u>44,459</u>	<u>14,407</u>	<u>-</u>	<u>-</u>	<u>58,866</u>
Results					
Segment Results	121	483	908	(2,104)	(592)
Finance costs	(1,802)	(5)	(41)	661	(1,187)
Profit/(Loss) before taxation	(1,681)	478	867	(1,443)	(1,779)
Taxation	(496)	(24)	(273)	-	(793)
Profit/(Loss) after taxation	<u>(2,177)</u>	<u>454</u>	<u>594</u>	<u>(1,443)</u>	<u>(2,572)</u>
Net Assets as at 30 September 2017	<u>53,390</u>	<u>(568)</u>	<u>53,216</u>	<u>(26,917)</u>	<u>79,121</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018**A10. Material Events Subsequent to the End of the Financial Period**

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

	As at 30/9/2018 RM'000
Property, plant and machinery	
Contracted but not provided for	-

A13. Contingent Liabilities and Contingent Assets

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

	Company As at 30/9/2018 RM'000
<u>(a) Guarantees</u>	
Corporate guarantees given to:	
- financial institutions for credit facilities granted to subsidiary companies	116,653
- third parties for credit facilities granted to subsidiary companies	5,200
- contract customer of a subsidiary company	8,026
	<u>129,879</u>

(b) Material Litigation

(i) High Court of Malaya at Kuala Lumpur Suit No. WA-22C-50-04/2017 ("Suit-50"). Tack Yap Construction (M) Sdn. Bhd. v. Euroland & Development Sdn. Bhd. ("EDSB")

As disclosed in Note B10 (a)

EURO HOLDINGS BERHAD

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018**PART B : ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

	Current Quarter Ended 30/9/2018 RM'Million	(Restated) Preceding Year Corresponding Quarter Ended 30/9/2017 RM'Million	Current Period Ended 30/9/2018 RM'Million	(Restated) Preceding Period Ended 30/9/2017 RM'Million
Revenue				
- Manufacturing	15.8	15.8	45.8	44.5
- Property	10.2	7.0	27.6	14.4
	<u>26.0</u>	<u>22.8</u>	<u>73.4</u>	<u>58.9</u>
Profit/(Loss) before taxation	0.3	0.5	(1.2)	(1.8)

Manufacturing Division

The revenue of Q3 2018 was recorded at RM15.8 million, same amount as reported for the corresponding quarter in preceding year.

Property Division

The revenue of Q3 2018 was recorded at RM10.2 million, an increase of RM3.2 million as compared to RM7.0 million (restated) of the corresponding quarter in preceding year due to higher percentage of completion coupled with higher sales.

The Group's profit before tax of current quarter was recorded at RM0.3 million, a reduction of RM0.2 million as compared to RM0.5 million of the corresponding quarter in preceding year mainly due to lower profit recognition by the Property Division resulting from higher budgeted cost.

B2. Variation of Results Against Preceding Quarter

	Current Quarter ended 30/9/2018 RM'Million	Preceding Quarter ended 30/6/2018 RM'Million
Revenue		
- Manufacturing	15.8	17.7
- Property	10.2	7.6
	<u>26.0</u>	<u>25.3</u>
Profit/(Loss) before taxation	0.3	0.2

Revenue for current quarter was recorded at RM26.0 million as compared to RM25.3 million of the preceding quarter, mainly due to higher revenue recognition by the Property Division.

The Group's profit before tax for the current quarter was at RM0.3 million, increase by RM0.1 million as compared to RM0.2 million reported in the preceding quarter, mainly due to lower operating expenses of the current quarter.

B3. Variance of Actual and Forecast Profit

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018**B4. Profit/(Loss) for the Quarter/Period**

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

	Current Quarter Ended 30/9/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/9/2017 RM'000	Current Period Ended 30/9/2018 RM'000	Preceding Period Ended 30/9/2017 RM'000
Interest Income	13	(48)	(39)	(94)
Other income including investment income	-	(72)	(45)	(72)
Interest expense	616	309	1,529	1,063
Depreciation & amortisation	886	1,038	2,792	3,266
Foreign exchange (gain)/loss	(161)	(171)	(292)	(21)
Loss/(Gain) on derivatives	(8)	15	93	(303)

B5. Current Year Prospects

Inflation in material cost and higher direct labour expenses is expected to reduce gross profit margin of the Manufacturing division.

In regard to Property Division, revenue recognition based on percentage of completion method for Damai Vista Project started upon adoption of MFRS 15 effective from 1 January 2018 and as such the project is expected to contribute positively to the Group's 2018 financials.

B6. Taxation

	Current Quarter Ended 30/9/2018 RM'000	Preceding Year Corresponding Quarter Ended 30/9/2017 RM'000	Current Period Ended 30/9/2018 RM'000	Preceding Period Ended 30/9/2017 RM'000
<u>Current taxation</u>				
-current year	265	159	947	793
-prior year	-	-	-	-
	265	159	947	793
Deferred taxation	-	-	-	-
	265	159	947	793

The effective tax rate for the quarter ended 30 September 2018 was higher than the statutory income tax rate mainly due to deferred tax assets arising from current year losses of subsidiary companies were not recognised.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018**B7. Group Borrowings and Debt Securities**

The Group's borrowings as at 30 September 2018 are as follows:

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Overdrafts	10,548	-	10,548
Bills payables	5,093	-	5,093
Term loans and bridging loans	2,921	14,668	17,589
Hire purchase payables	83	49	132
	<u>18,645</u>	<u>14,717</u>	<u>33,362</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

B8. Dividend

No dividend has been proposed or declared for the financial period ended 30 Sep 2018 (30 Sep 2017: Nil).

B9. 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 2018 are as follows:

<u>Type of instruments</u>	Contract/Notional	Value as at	Fair Value
	Amount	30/9/2018	gain/(loss)
	RM'000	RM'000	RM'000
Foreign currency forward contracts			
- Less than 1 year	4,488	4,510	(22)
	<u>4,488</u>	<u>4,510</u>	<u>(22)</u>

The currency forward contracts are transacted with the Group's bankers. Credit risk for non-performance by the counterparties in these instruments is low.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018

B10. Material Litigation

As at 21 Aug 2018, there were no material litigation since the last annual balance sheet date except for the following:-

(a) High Court of Malaya at Kuala Lumpur Suit No. WA-22C-50-04/2017 (“Suit-50”). Tack Yap Construction (M) Sdn. Bhd. (“TYC”) v. Euroland & Development Sdn. Bhd.

On 27 April 2017, a sealed copy of the Amended Writ and Statement of Claim both dated 25 April 2017, were served by the Plaintiff's solicitors on EDSB, a wholly owned subsidiary of the Company. The details of the claim are as per the Company's announcement dated 5 May 2017 and EDSB has filed its Defence and Counterclaim on 6 June 2017.

On 13 October 2018, the decision has been given by the High Court in favour of Tack Yap Construction (M) Sdn Bhd and against EDSB. Both parties have however reached an amicable settlement in principle to resolve the dispute through payment and in exchange, to withdraw all pending legal proceedings between the parties. A settlement agreement will be executed by end of November 2018. As such, the legal proceedings mentioned below will be withdrawn immediately.

(b) Adjudication proceedings registered as KLRCA Adjudication No. ADJ-1376-2017 (“Adj. 1376”) between Tack Yap Construction (M) Sdn. Bhd. (“TYC”) and Euroland & Development Sdn. Bhd. (“EDSB”)

In connection with and related to the above claim, on 16 November 2017, TYC had initiated an adjudication claim against EDSB at the Kuala Lumpur Regional Centre for Arbitration (“KLRCA”) for the same alleged underpayment of progress claims nos. 1 to 7 for RM6,512,443.05 together with the retention sums amounting to RM1,211,099.04.

The Adjudicator has determined in his adjudication decision dated 25 May 2018 that TYC succeeded on its claim for underpayments but failed on its claim for retention sum. EDSB to pay TYC RM4,946,539.74 being the claims of underpayments, RM290,860.09 as interest and total cost of RM118,480.

The legal proceedings of Adj. 1376 will be withdrawn upon execution of settlement agreement mentioned in (a) above.

(c) High Court of Malaya at Kuala Lumpur Originating Summons No. WA-24C-5-01/2018 (“OS-5”). Euroland & Development Sdn. Bhd. v. Tack Yap Construction (M) Sdn. Bhd.

On 4 January 2018, EDSB initiated an Originating Summons against TYC seeking an order and declaration that the disputes arising between TCY and EDSB do not fall within the ambit and jurisdiction of the Construction Industry Payment and Adjudication Act 2012 (“CIPAA 2012”).

On 10 January 2018, EDSB filed an application under OS-5 to inter alia, (i) restrain TYC from pursuing and/or proceeding with Adj. 1376; and (ii) stay the Adj. 1376 proceedings, pending the disposal of the OS-5.

On 8 March 2018, OS-5 was dismissed with costs of RM10,000.00 to be paid by EDSB to TYC.

(d) Court of Appeal Civil Appeal No. W-02(C)(A)-675-03/2018. Euroland & Development Sdn. Bhd. v. Tack Yap Construction (M) Sdn. Bhd. [High Court of Malaya at Kuala Lumpur Originating Summons No. WA-24C-5-01/2018]

Arising from the dismissal of the Originating Summons in item (c) above, on 23 March 2018 EDSB appealed to the Court of Appeal. The legal proceedings of this appeal will be withdrawn upon execution of settlement agreement mentioned in (a) above.

EURO HOLDINGS BERHAD

(Company No. 646559-T)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEPTEMBER 2018**B11. Earnings Per Share**

The earnings per share for the quarter ended 30 September 2018 is computed as follows:-

	Current	(Restated)	Current	(Restated)
	Quarter	Preceding Year	Period	Preceding
	Ended	Corresponding	Ended	Period
	30/9/2018	Quarter Ended	30/9/2018	Ended
		30/9/2017		30/9/2017
(Loss)/Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	(34)	283	(2,116)	(2,665)
Weighted average number of shares ('000)	267,300	254,622	267,300	246,916
Basic Earnings Per Share (sen)	(0.01)	0.11	(0.79)	(1.08)

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 2018.

B12. Corporate Proposal

There were no corporate proposals announced but not completed as at 22 Nov 2018, being a date not earlier than 7 days from the date of this report.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 29 Nov 2018.