

EURO HOLDINGS BERHAD

[Registration No.: 200401008055 (646559-T)]

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 MARCH 2020

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/3/2020 RM'000	Preceding Year Corresponding Quarter 31/3/2019 RM'000	Current Year To Date 31/3/2020 RM'000	Preceding Year Corresponding Period 31/3/2019 RM'000
Continuing Operations:				
Revenue	9,933	17,816	9,933	17,816
Cost of sales	(9,026)	(16,503)	(9,026)	(16,503)
Gross profit	<u>907</u>	<u>1,313</u>	<u>907</u>	<u>1,313</u>
Other income	197	685	197	685
Operating expenses	(3,502)	(4,636)	(3,502)	(4,636)
Finance costs	(512)	(564)	(512)	(564)
Profit/(Loss) before taxation	<u>(2,910)</u>	<u>(3,202)</u>	<u>(2,910)</u>	<u>(3,202)</u>
Taxation	(149)	(284)	(149)	(284)
Profit/(Loss) for the period	<u>(3,059)</u>	<u>(3,486)</u>	<u>(3,059)</u>	<u>(3,486)</u>
Other comprehensive income ("OCI")	-	-	-	-
Total comprehensive income/(loss) for the period	<u><u>(3,059)</u></u>	<u><u>(3,486)</u></u>	<u><u>(3,059)</u></u>	<u><u>(3,486)</u></u>
Attributable to:				
Owners of the Company	(3,062)	(3,472)	(3,062)	(3,472)
Non-controlling interest	3	(14)	3	(14)
	<u><u>(3,059)</u></u>	<u><u>(3,486)</u></u>	<u><u>(3,059)</u></u>	<u><u>(3,486)</u></u>
Earnings per share				
- Earnings per share (sen)	<u><u>(1.15)</u></u>	<u><u>(1.30)</u></u>	<u><u>(1.15)</u></u>	<u><u>(1.30)</u></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 2019 and the accompanying explanatory notes attached to the interim financial statements.

EURO HOLDINGS BERHAD

[Registration No.: 200401008055 (646559-T)]

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2020****(The figures have not been audited)**

	(Unaudited) As At 31/3/2020 RM'000	As At 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,859	42,392
Right-of-use assets	100	118
	<u>41,959</u>	<u>42,510</u>
Current assets		
Property development cost	50,277	52,280
Inventories	13,502	12,391
Trade receivables	34,368	32,399
Other receivables, deposits and prepayments	2,013	1,261
Tax recoverable	48	102
Fixed deposit	7,045	6,984
Forward exchange contracts	16	16
Short term funds	-	-
Cash and bank balances	1,517	2,445
	<u>108,786</u>	<u>107,878</u>
TOTAL ASSETS	<u><u>150,745</u></u>	<u><u>150,388</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	48,402	48,402
Share Premium	-	-
Retained Earnings	10,493	13,555
	<u>58,895</u>	<u>61,957</u>
Non-controlling interest	862	859
Total equity	<u>59,757</u>	<u>62,816</u>
Non-current liabilities		
Term loans and borrowings	10,066	10,712
Lease liabilities	52	52
Deferred tax liabilities	44	44
	<u>10,162</u>	<u>10,808</u>
Current liabilities		
Trade payables	14,289	13,818
Other payables and accruals	19,329	18,298
Amount due to director	41	18
Bank overdrafts	11,839	10,757
Bills payable	3,328	3,453
Hire purchase payables	30	40
Term loans and borrowings	31,851	30,303
Lease liabilities	77	77
Forward exchange contracts	42	-
Provision for taxation	-	-
	<u>80,826</u>	<u>76,764</u>
Total liabilities	<u>90,988</u>	<u>87,572</u>
TOTAL EQUITY AND LIABILITIES	<u><u>150,745</u></u>	<u><u>150,388</u></u>
Net Assets Per Share (RM)	0.2203	0.2318

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

EURO HOLDINGS BERHAD

[Registration No.: 200401008055 (646559-T)]

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2020
(The figures have not been audited)**

	Attributable to Equity Holders of the Company			Non- Controlling Interest	Total Equity
	Non-distributable	Distributable	Total		
	Share Capital	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	48,402	13,555	61,957	859	62,816
Total comprehensive income/(loss) for the period	-	(3,062)	(3,062)	3	(3,059)
At 31 MARCH 2020	48,402	10,493	58,895	862	59,757
At 1 January 2019	48,402	26,295	74,697	858	75,555
Total comprehensive income/(loss) for the period	-	(3,472)	(3,472)	(14)	(3,486)
At 31 MARCH 2019	48,402	22,823	71,225	844	72,069

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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[Registration No.: 200401008055 (646559-T)]

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
(The figures have not been audited)**

	Current Period Ended 31/3/2020 RM'000	Preceding Period Ended 31/3/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(2,910)	(3,202)
Non-cash items	576	768
Non-operating items	163	151
Operating profit before working capital changes	(2,171)	(2,283)
Inventories	(1,111)	946
Trade and other receivables	(2,238)	2,213
Trade and other payables	1,235	(1,788)
Cash generated from operations	(4,285)	(912)
Property development costs	2,002	1,057
Tax paid	(94)	(261)
Tax refund	-	273
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(2,377)	157
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25)	(17)
Interest received	54	34
Rental received	-	-
Proceeds from disposal of property, plant and equipment	-	234
NET CASH USED IN INVESTING ACTIVITIES	29	251
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits pledged	(61)	(553)
Interest paid	(494)	(530)
Repayment of hire purchase payables & lease liabilities	(9)	(18)
Dividends paid to non-controlling interest by subsidiary	-	-
Net drawdown/(repayment) of term loans and borrowings	902	(1,232)
NET CASH USED IN FINANCING ACTIVITIES	338	(2,333)
Net (decrease)/increase in cash and cash equivalents	(2,010)	(1,925)
Cash and cash equivalents at beginning of the financial period	(8,312)	(4,882)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*	(10,322)	(6,807)

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

Bank overdrafts	(11,839)	(9,858)
Cash and bank balances	1,517	2,985
Fixed deposits	7,045	6,553
Short term funds	-	66
	(3,277)	(254)
Less: Fixed deposits pledged to a bank for credit facilities	(7,045)	(6,553)
	(10,322)	(6,807)

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

EURO HOLDINGS BERHAD

[Registration No.: 200401008055 (646559-T)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 31 MARCH 2020

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 2019. 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 2019.

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 2019, except for the adoption of the MFRSs, amendments and interpretations which are effective from the financial period beginning 1 January 2020.

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 2019 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 ended 31 Mar 2020.

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 - QUARTER ENDED 31 MARCH 2020**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 ended 31 Mar 2020.

A8. Dividends Paid

No dividends were paid by the Company in the current quarter ended 31 Mar 2020.

A9. Segmental Reporting

For the financial period ended 31 Mar 2020, the Group's financial information is analysed by operating segments as follows:

Financial period ended 31 Mar 2020:

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue					
Local	3,308	2,609	-	-	5,917
Exports	4,016	-	-	-	4,016
	<u>7,324</u>	<u>2,609</u>	<u>-</u>	<u>-</u>	<u>9,933</u>
Results					
Segment Results	(1,086)	(662)	327	(977)	(2,398)
Finance costs	(569)	-	(71)	128	(512)
Profit/(Loss) before taxation	(1,655)	(662)	256	(849)	(2,910)
Taxation	(45)	-	(104)	-	(149)
Profit/(Loss) after taxation	<u>(1,700)</u>	<u>(662)</u>	<u>152</u>	<u>(849)</u>	<u>(3,059)</u>
Net Assets as at 31 Mar 2020	<u>51,649</u>	<u>(14,972)</u>	<u>32,673</u>	<u>(9,593)</u>	<u>59,757</u>

Financial period ended 31 Mar 2019:

	Manufacturing RM'000	Property RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
Revenue					
Local	4,192	4,489	-	-	8,681
Exports	9,135	-	-	-	9,135
	<u>13,327</u>	<u>4,489</u>	<u>-</u>	<u>-</u>	<u>17,816</u>
Results					
Segment Results	445	(2,626)	454	(911)	(2,638)
Finance costs	(627)	(1)	(39)	103	(564)
Profit/(Loss) before taxation	(182)	(2,627)	415	(808)	(3,202)
Taxation	(178)	-	(106)	-	(284)
Profit/(Loss) after taxation	<u>(360)</u>	<u>(2,627)</u>	<u>309</u>	<u>(808)</u>	<u>(3,486)</u>
Net Assets as at 31 Mar 2019	<u>51,022</u>	<u>(4,284)</u>	<u>53,344</u>	<u>(28,013)</u>	<u>72,069</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 31 MARCH 2020**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 31/3/2020 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:

	Group As at 31/3/2020 RM'000	Company As at 31/3/2020 RM'000
<u>(a) Guarantees</u>		
Corporate guarantees given to:		
- financial institutions for credit facilities granted to subsidiary companies	49,250	49,250
- third parties for credit facilities granted to subsidiary companies	200	200
- contract customer of a subsidiary company	8,026	8,026
- third parties for credit facilities granted to main contractor	8,094	5,417
	<u>65,570</u>	<u>62,893</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 31 MARCH 2020**PART B : ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

	Current Quarter Ended 31/3/2020 RM'Million	Preceding Year Corresponding Quarter Ended 31/3/2019 RM'Million	Current Period Ended 31/3/2020 RM'Million	Preceding Period Ended 31/3/2019 RM'Million
Revenue				
- Manufacturing	7.3	13.3	7.3	13.3
- Property	2.6	4.5	2.6	4.5
	9.9	17.8	9.9	17.8
Loss before taxation	(2.9)	(3.2)	(2.9)	(3.2)

Manufacturing Division

The revenue of Q1 2020 was recorded at RM7.3 million, a decrease of RM6.0 million as compared to RM13.3 million of the corresponding quarter in preceding year. This was mainly due to lower demand in both local and export market.

Property Division

The revenue of Q1 2020 was recorded at RM2.6 million, a decrease of RM1.9 million as compared to RM4.5 million of the corresponding quarter in preceding year due to lower percentage of completion for the property development project.

The Group's loss before tax of current quarter was recorded at RM2.9 million as compared to RM3.2 million of the corresponding quarter in preceding year mainly due lower loss incurred by Property Division in the current quarter.

B2. Variation of Results Against Preceding Quarter

	Current Quarter ended 31/3/2020 RM'Million	Preceding Quarter ended 31/12/2019 RM'Million
Revenue		
- Manufacturing	7.3	15.1
- Property	2.6	3.1
	9.9	18.2
Loss before taxation	(2.9)	(4.1)

Revenue for current quarter was recorded at RM9.9 million, a decrease of RM8.3 million as compared to RM18.2 million of the preceding quarter, mainly due to lower revenue of Manufacturing Division resulting from lower demand in both local and export market.

The Group's loss before tax for the current quarter was at RM2.9 million as compared to RM4.1 million reported in the preceding quarter despite a lower revenue mainly due to higher cost in the preceding quarter in relation to the provision for late delivery of property development project.

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 31 MARCH 2020**B4. Loss for the Quarter/Period**

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

	Current Quarter Ended 31/3/2020 RM'000	Preceding Year Corresponding Quarter Ended 31/3/2019 RM'000	Current Period Ended 31/3/2020 RM'000	Preceding Period Ended 31/3/2019 RM'000
Interest Income	(54)	(34)	(54)	(34)
Other income including investment income	-	(190)	-	(190)
Interest expense	494	530	494	530
Depreciation & amortisation	576	768	576	768
Foreign exchange (gain)/loss	(115)	(449)	(115)	(449)
Loss/(Gain) on derivatives	42	30	42	30

B5. Current Year Prospects

The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and international markets that Euro operates. The outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries that delayed commencement of work and deliveries of products to customers. Due to the inherent nature and unpredictability of future development of the outbreak and market sentiments, the impact of the outbreak to the Group cannot be reasonably estimated at this stage. The Management will continue to monitor the situations and respond proactively to mitigate the impact on the Group's financial performance and financial position.

In view of the challenges ahead, Manufacturing Division will increase its effort to improve operation efficiency and maintaining market share.

In regard to Property Division, Damai Vista Project is expected to handover in second half of 2020. The Division will adopt suitable marketing strategies to promote the sale of the project.

B6. Taxation

	Current Quarter Ended 31/3/2020 RM'000	Preceding Year Corresponding Quarter Ended 31/3/2019 RM'000	Current Period Ended 31/3/2020 RM'000	Preceding Period Ended 31/3/2019 RM'000
<u>Current taxation</u>				
-current year	149	284	149	284
-prior year	-	-	-	-
	149	284	149	284
Deferred taxation	-	-	-	-
	149	284	149	284

The effective tax rate for the quarter ended 31 Mar 2020 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 31 MARCH 2020**B7. Corporate Proposal**

There was no corporate proposals announced but not completed as at 23 Jun 2020, being a date not earlier than seven (7) days from the date of this report.

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 31 Mar 2020 are as follows:

	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Overdrafts	11,839	-	11,839
Bills payables	3,328	-	3,328
Term loans and borrowings	31,851	10,066	41,917
Hire purchase payables	30	52	82
	<u>47,048</u>	<u>10,118</u>	<u>57,166</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

B9. Dividend

No dividend has been proposed or declared for the financial period ended 31 Mar 2020 (31 Mar 2019: Nil).

B10. 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 31 Mar 2020 are as follows:

<u>Type of instruments</u>	Contract/Notional	Value as at	Fair Value
	Amount	31/3/2020	gain/(loss)
	RM'000	RM'000	RM'000
Foreign currency forward contracts			
- Less than 1 year	<u>2,267</u>	<u>2,293</u>	<u>(26)</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 31 MARCH 2020**B11. Earnings Per Share**

The earnings per share for the quarter ended 31 Mar 2020 is computed as follows:-

	Current Quarter Ended 31/3/2020	Preceding Year Corresponding Quarter Ended 31/3/2019	Current Period Ended 31/3/2020	Preceding Period Ended 31/3/2019
(Loss)/Profit for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	(3,062)	(3,472)	(3,062)	(3,472)
Weighted average number of shares ('000)	267,300	267,300	267,300	267,300
Basic Earnings Per Share (sen)	(1.15)	(1.30)	(1.15)	(1.30)

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 Mar 2020.

B12. Material Litigation

As at 23 Jun 2020, there were no material litigation since the last annual balance sheet date except for the following:-

(a) Kuala Lumpur High Court Civil Suit No. WA-22NCVC-127-03/2019. Supreme Code Land Sdn. Bhd. (“the Plaintiff”) v. Euroland & Development Sdn. Bhd. (“the Defendant”)

On 14 March 2019, Euroland & Development Sdn. Bhd. (“EDSB”) a wholly owned subsidiary of the Company had been served with a sealed Writ and Statement of Claim both dated 7 March 2019 by Supreme Code Land Sdn. Bhd. (“SCL”) for, amongst others, specific performance of alleged Sale and Purchase Agreements involving four (4) units of residential properties to be developed by EDSB and/or a total sum of RM3,062,284 as damages in lieu of specific performance.

EDSB’s lawyers have filed a defence averring that there is no record of the alleged Sale and Purchase Agreements and sales of the said 4 units to SCL. The trial dates of this case were held in Nov 2019 and Jan 2020 and the next court date was fixed on 24 Jun 2020 for oral submission.

(b) Kuala Lumpur High Court Civil Suit No. WA-22NCVC-288-05/2019. Chia Wooi Chiew (“the Plaintiff”) v. Euroland & Development Sdn. Bhd. (“the Defendant”)

On 10 May 2019, Euroland & Development Sdn. Bhd. a wholly owned subsidiary of the Company had been served with a sealed Writ and Statement of Claim dated 2 May 2019 and 29 April 2019 respectively, by Chia Wooi Chiew (“CWC”) for, amongst others, specific performance of alleged Sale and Purchase Agreements involving four (4) units of residential properties to be developed by EDSB and/or a total sum of RM2,800,000 as damages in lieu of specific performance.

EDSB’s lawyers have filed a defence averring that there is no record of the alleged Sale and Purchase Agreements and sales of the said 4 units to CWC. On 18 Nov 2019, the Court granted Plaintiff’s application for Suit 340 as mentioned in (c) below to be consolidated into this case. The trial dates for the consolidated case were set on 28th to 30th Sep 2020.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 31 MARCH 2020

(c) Kuala Lumpur High Court Civil Suit No. WA-22NCVC-340-05/2019. Goh Bee Ling (“the Plaintiff”) v. Euroland & Development Sdn. Bhd. (“the Defendant”)

On 30 May 2019, Euroland & Development Sdn. Bhd. a wholly owned subsidiary of the Company had been served with a sealed Writ and Statement of Claim dated 21 May 2019 and 20 May 2019 respectively, by Goh Bee Ling (“GBL”) for, amongst others, specific performance of alleged Sale and Purchase Agreements involving four (4) units of residential properties to be developed by EDSB and/or a total sum of RM2,800,000 as damages in lieu of specific performance.

EDSB’s lawyers have filed a defence averring that there is no record of the alleged Sale and Purchase Agreements and sales of the said 4 units to GBL. On 18 Nov 2019, the Court granted Plaintiff’s application to consolidate this case with Suit 288 as mentioned in (b) above.

(d) Kuala Lumpur Session Court Civil Suit No. WA-B52NCC-102-03/2019. Bina-Pile industries Sdn. Bhd. (“the Plaintiff”) v. All Ways Builder Sdn Bhd (“1st Defendant” or “AWB”) and Euroland & Development Sdn. Bhd. (“2nd Defendant” or “EDSB”)

The Plaintiff claimed for RM996,205.51 against the debts due and owing by the AWB where EDSB act as corporate guarantor. AWB is the main contractor of a project to be developed by EDSB and EDSB has provided corporate guarantee to the Plaintiff for material supplied to AWB for the said project.

The plaintiff has obtained a judgement in default against AWB. A summary judgement application filed by the Plaintiff against EDSB was dismissed by the court on 20.6.2019, where the parties have been directed to proceed with the full trial. The trial of the case was concluded and the court has fixed the clarification and decision of the case on 10 July 2020.

(e) Kuala Lumpur High Court Civil Suit No. WA-22NCVC-890-12/2019. Tan Kim Suat (“the Plaintiff”) v. Euroland & Development Sdn. Bhd. & 8 Others (“the Defendant”)

Euroland & Development Sdn. Bhd. a wholly owned subsidiary of the Company had been served with a amended sealed Writ and amended Statement of Claim dated 14 Jan, by Tan Kim Suat for, amongst others, a total sum of RM1,552,118 as damages of alleged Sale and Purchase Agreements involving two (2) units of residential properties to be developed by EDSB and/or general damages.

EDSB brought a counter claim against Tan Kim Suat and Tong Kah Hoe for conspiracy to defraud. The hearing date has been fixed on 12 Aug 2020.

(f) Kuala Lumpur High Court Civil Suit No. WA-22NCC-22NCC-246-06/2020. ADY Marketing Sdn Bhd (“Plaintiff”) V Euroland & Development Sdn Bhd & Another (“Defendants”)

Euro Holdings Berhad has been served with a Writ of Summons and Statement of Claim both dated 17 June 2020 as the Second Defendant (“the Second Defendant”) and to Euroland & Development Sdn Bhd, a wholly-owned subsidiary, as the First Defendant (“the First Defendant”) on 22 June 2020 for, amongst others, a total sum of RM1,416,753.60 for alleged goods delivered to First Defendant and alleged corporate guarantee given by the Second Defendant.

The Company is seeking legal advise on the matter.

B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors on 30 Jun 2020.