

**EURO HOLDINGS BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEP 2021  
(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 9/30/2021 RM'000	Preceding Year Corresponding Quarter 9/30/2020 RM'000	Current Year To Date 9/30/2021 RM'000	Preceding Year Corresponding Period 9/30/2020 RM'000
<b>Continuing Operations:</b>				
Revenue	13,538	35,120	48,162	49,981
Cost of sales	(14,528)	(29,754)	(48,615)	(43,386)
Gross profit/(loss)	<u>(990)</u>	<u>5,366</u>	<u>(453)</u>	<u>6,595</u>
Other income	51	151	149	450
Operating expenses	(1,523)	(1,477)	(5,950)	(9,521)
Finance costs	(641)	(670)	(1,143)	(1,456)
<b>Profit/(Loss) before taxation</b>	<u>(3,103)</u>	<u>3,370</u>	<u>(7,397)</u>	<u>(3,932)</u>
Taxation	-	(20)	-	(228)
<b>Profit/(Loss) for the period</b>	<u>(3,103)</u>	<u>3,350</u>	<u>(7,397)</u>	<u>(4,160)</u>
Other comprehensive income ("OCI")	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	<u><u>(3,103)</u></u>	<u><u>3,350</u></u>	<u><u>(7,397)</u></u>	<u><u>(4,160)</u></u>
<b>Attributable to:</b>				
Owners of the Company	(3,103)	3,405	(7,344)	(4,088)
Non-controlling interest	-	(55)	(53)	(72)
	<u>(3,103)</u>	<u>3,350</u>	<u>(7,397)</u>	<u>(4,160)</u>
<b>Earnings per share</b>				
- Earnings per share (sen)	<u><u>(0.39)</u></u>	<u><u>1.27</u></u>	<u><u>(0.92)</u></u>	<u><u>(1.53)</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 2020 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 30 SEP 2021**

(The figures have not been audited)

	(Unaudited) As At 9/30/2021 RM'000	As At 12/31/2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38,981	40,232
Right-of-use assets	14	48
	<u>38,995</u>	<u>40,280</u>
<b>Current assets</b>		
Property development cost	32,620	32,943
Inventories	12,535	12,737
Trade receivables	24,789	23,222
Other receivables, deposits and prepayments	9,046	8,938
Tax recoverable	442	35
Fixed deposit	7,031	6,952
Cash and bank balances	1,788	1,687
	<u>88,251</u>	<u>86,514</u>
<b>TOTAL ASSETS</b>	<u><u>127,246</u></u>	<u><u>126,794</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	48,402	48,402
Retained Earnings	11,397	18,741
	<u>59,799</u>	<u>67,143</u>
Non-controlling interest	834	887
<b>Total equity</b>	<u>60,634</u>	<u>68,030</u>
<b>Non-current liabilities</b>		
Term loans and borrowings	7,749	9,218
Lease liabilities	3	3
Deferred tax liabilities	287	287
	<u>8,039</u>	<u>9,508</u>
<b>Current liabilities</b>		
Trade payables	11,341	13,210
Other payables and accruals	15,477	14,297
Amount due to director	10,116	110
Bills payable	1,996	1,644
Term loans and borrowings	19,234	19,936
Lease liabilities	37	55
Forward exchange contracts	-	4
Provision for taxation	372	-
	<u>58,573</u>	<u>49,256</u>
<b>Total liabilities</b>	<u>66,612</u>	<u>58,764</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>127,246</u></u>	<u><u>126,794</u></u>
Net Assets Per Share (RM)	0.0746	0.2512

## 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 2020 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 30 SEP 2021  
(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
<b>At 1 January 2021</b>	<b>48,402</b>	<b>18,741</b>	<b>67,143</b>	<b>887</b>	<b>68,030</b>
Total comprehensive loss for the period	-	(7,344)	(7,344)	(53)	(7,397)
<b>At 30 September 2021</b>	<b>48,402</b>	<b>11,397</b>	<b>59,799</b>	<b>834</b>	<b>60,633</b>
<b>At 1 January 2020</b>	48,402	13,555	61,957	859	62,816
Total comprehensive loss for the period	-	(4,088)	(4,088)	(72)	(4,160)
<b>At 30 September 2020</b>	<b>48,402</b>	<b>9,467</b>	<b>57,869</b>	<b>787</b>	<b>58,656</b>

Notes:

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**EURO HOLDINGS BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE FINANCIAL PERIOD ENDED 30 SEP 2021**

(The figures have not been audited)

	<b>Current Period Ended 30/9/2021 RM'000</b>	Preceding Period Ended 30/9/2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(7,397)	(3,932)
Non-cash items	1,285	1,668
Non-operating items	(58)	1,064
Operating profit/(loss) before working capital changes	<u>(6,170)</u>	<u>(1,200)</u>
Inventories	202	(1,832)
Trade and other receivables	(1,656)	(7,327)
Trade and other payables	(689)	9,690
Cash used in operations	<u>(8,312)</u>	<u>(669)</u>
Property development costs	323	24,752
Tax paid	(35)	(106)
<b>NET CASH (USED IN)/GENERATED OPERATING ACTIVITIES</b>	<u><b>(8,024)</b></u>	<u><b>23,977</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(119)
Interest received	39	137
Proceeds from disposal of property, plant and equipment	-	192
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<u><b>39</b></u>	<u><b>210</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged	-	(129)
Interest paid	(449)	(1,385)
Repayment of hire purchase payables & lease liabilities	(19)	(87)
Advances From A Director	10,007	-
Net drawdown/(repayment) of term loans and borrowings	(1,119)	(23,293)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<u><b>8,420</b></u>	<u><b>(24,894)</b></u>
Net increase/(decrease) in cash and cash equivalents	435	(707)
Cash and cash equivalents at beginning of the financial period	(10,517)	(8,312)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD*</b>	<u><b>(10,082)</b></u>	<u><b>(9,019)</b></u>

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

Bank overdrafts	(11,871)	(12,713)
Cash and bank balances	1,788	3,694
Fixed deposits	7,031	7,113
	<u>(3,052)</u>	<u>(1,906)</u>
Less: Fixed deposits pledged to a bank for credit facilities	(7,030)	(7,113)
	<u><b>(10,082)</b></u>	<u><b>(9,019)</b></u>

Notes:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the financial year ended 31 December 2020 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 30 SEP 2021**

#### **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 2020. 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 2020.

#### **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 2020, except for the adoption of the MFRSs, amendments and interpretations which are effective from the financial period beginning 1 January 2021.

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 2020 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 30 September 2021.

#### **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.

#### **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 30 September 2021.

#### **A8. Dividends Paid**

No dividends were paid by the Company in the current quarter ended 30 September 2021.

**EURO HOLDINGS BERHAD**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEP 2021**

**A9. Segmental Reporting**

For the financial period ended 30 September 2021, the Group's financial information is analysed by operating segments as follows:

**Financial period ended 30 September 2021:**

	<b>Manufacturing RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
Local	46,459	2,230	-	(2,417)	46,272
Exports	1,890	-	-	-	1,890
	<u>48,349</u>	<u>2,230</u>	<u>-</u>	<u>(2,417)</u>	<u>48,162</u>
<b>Results</b>					
Segment Results	(7,485)	1,231	(273)	273	(6,254)
Finance costs	(1,037)	-	196	(302)	(1,143)
Profit/(Loss) before taxation	(8,522)	1,231	(77)	(29)	(7,397)
Taxation	-	-	-	-	-
Profit/(Loss) after taxation	<u>(8,522)</u>	<u>1,231</u>	<u>(77)</u>	<u>(29)</u>	<u>(7,397)</u>
<b>Net Assets</b>					
<b>as at 30 September 2021</b>	<u>49,048</u>	<u>38,216</u>	<u>49,650</u>	<u>(76,280)</u>	<u>60,634</u>

**Financial period ended 30 September 2020:**

	<b>Manufacturing RM'000</b>	<b>Property RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
Local	10,867	27,332	-	-	38,199
Exports	11,782	-	-	-	11,782
	<u>22,649</u>	<u>27,332</u>	<u>-</u>	<u>-</u>	<u>49,981</u>
<b>Results</b>					
Segment Results	(1,417)	343	682	(2,084)	(2,476)
Finance costs	(1,627)	-	(217)	388	(1,456)
Profit/(Loss) before taxation	(3,044)	343	465	(1,696)	(3,932)
Taxation	(25)	-	(203)	-	(228)
Profit/(Loss) after taxation	<u>(3,069)</u>	<u>343</u>	<u>262</u>	<u>(1,696)</u>	<u>(4,160)</u>
<b>Net Assets</b>					
<b>as at 30 September 2020</b>	<u>50,281</u>	<u>(13,967)</u>	<u>32,783</u>	<u>(10,441)</u>	<u>58,656</u>

**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.

**EURO HOLDINGS BERHAD**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEP 2021****A12. Capital Commitments****As at  
9/30/2021  
RM'000**

Property, plant and machinery

Contracted but not provided for

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-**A13. Contingent Liabilities and Contingent Assets**

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

	<b>Group As at 9/30/2021 RM'000</b>	<b>Company As at 9/30/2021 RM'000</b>
<b><u>(a) Guarantees</u></b>		
Corporate guarantees given to:		
- financial institutions for credit facilities granted to subsidiary companies	38,978	38,978
- third parties for credit facilities granted to subsidiary companies	200	200
- third parties for credit facilities granted to main contractor	3,583	2,446
	<hr/> <hr/> 42,761	<hr/> <hr/> 41,624

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEP 2021****PART B : ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

	Current Quarter Ended 9/30/2021 RM'Million	Preceding Year Corresponding Quarter Ended 9/30/2020 RM'Million	Current Period Ended 9/30/2021 RM'Million	Preceding Period Ended 9/30/2020 RM'Million
<b>Revenue</b>				
- Manufacturing	13.4	10.8	45.9	22.7
- Property	0.1	24.3	2.2	27.3
	<b>13.5</b>	<b>35.1</b>	<b>48.2</b>	<b>50.0</b>
<b>Profit/(Loss) before taxation</b>	<b>(3.1)</b>	3.4	<b>(7.4)</b>	(3.9)

Manufacturing Division

The revenue of Q3 2021 recorded at RM13.4 million, an increase of RM2.6 million as compared to RM10.8 million of the corresponding quarter in preceding year. This was mainly due to increase in trading of steel related activity.

Despite a surge in revenue, the financial performance of the Group in the third quarter of 2021 was negatively impacted by slower work orders and the reimposition of the Movement Control Order ("MCO") by the Government of Malaysia to contain the spread of COVID-19.

Nevertheless, we expect that the economic activities would gradually return to normal once the vaccine inoculation programme is substantially rolled out throughout the country by the Malaysian government.

Property Division

The revenue of Q3 2021 was recorded at RM0.1 million, a decrease of RM24.2 million as compared to RM24.3 million of the corresponding quarter in preceding year due to stopage as a result of further MCO implemented by the Government of Malaysia.

The Group's loss before tax of current quarter was recorded at RM3.1 million as compared to a profit before tax of RM3.4 million of the corresponding quarter in preceding year.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEP 2021****B2. Variation of Results Against Preceding Quarter**

	Current Quarter ended 9/30/2021 RM'Million	Preceding Quarter ended 6/30/2021 RM'Million
<b>Revenue</b>		
- Manufacturing	13.4	18.3
- Property	0.1	0.1
	<u>13.5</u>	<u>18.4</u>
<b>Loss before taxation</b>	(3.1)	(4.8)

Revenue for current quarter was recorded at RM13.5 million, a decrease of RM4.9 million as compared to RM18.4 million of the preceding quarter, mainly due to decrease in orders from manufacturing segment.

The Group's loss before tax of current quarter was RM3.1 million as compared to loss before tax of RM4.8 million reported in the preceding quarter mainly due cost savings initiatives.

**B3. Variance of Actual and Forecast Profit**

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

**B4. Loss for the Quarter/Period**

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

	Current Quarter Ended 9/30/2021 RM'000	Preceding Year Corresponding Quarter Ended 9/30/2020 RM'000	Current Period Ended 9/30/2021 RM'000	Preceding Period Ended 9/30/2020 RM'000
Interest Income	(51)	(49)	(149)	(137)
Other income including investment income	-	128	-	128
Interest expense	641	626	1,143	1,385
Depreciation & amortisation	415	544	1,285	1,668
Foreign exchange (gain)/loss	22	(160)	105	(192)
Loss/(Gain) on derivatives	-	(28)	-	12
Reversal for LAD	-	(2,740)	-	(1,178)

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEP 2021****B5. Current Year Prospects**

The operating environment amid the Covid-19 pandemic continues to be challenging. The Group will manage these challenges by constantly reviewing its financial performance and exercising prudence in its decisions. The Group will continue to implement strategies to increase revenue and adopt continuous cost saving initiatives to grow in the Group's business sustainably to mitigate the impact caused by the pandemic.

The Manufacturing Division will continue to leverage on its strong base of export clientele and explore new countries to diversify its market base as a growth strategy and managing its business risk. Its extensive range of high quality products will ensure the long-term sustainability growth of the business. The Group will be focusing on growth markets within the Asean and Asia regions. The Division is also working to increase revenue via the E-commerce initiative.

In regards to Property Division, Damai Vista Condominium Project is striving to achieved the Certificate of Completion and Compliance ("CCC") in 2021. The Division will adopt suitable marketing strategies for the sale of unsold completed units.

**B6. Taxation**

	<b>Current Quarter Ended 9/30/2021 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 9/30/2020 RM'000</b>	<b>Current Period Ended 9/30/2021 RM'000</b>	<b>Preceding Period Ended 9/30/2020 RM'000</b>
<u>Current taxation</u>				
-current year	-	20	-	228
-prior year	-	-	-	-
	-	20	-	228
Deferred taxation	-	-	-	-
	-	20	-	228

The effective tax rate for the quarter ended 30 September 2021 was lower than the statutory income tax rate mainly due carry forward losses of subsidiary on the prior year.

## EURO HOLDINGS BERHAD

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEP 2021

#### B7. Corporate Proposal

There was no corporate proposals announced as at 26 November 2021, being a date not earlier than seven (7) days from the date of this report, saved as disclosed below.

#### **Proposed Acquisition I, Proposed Acquisition II, Proposed Debt Settlement, Proposed Special Issue, Proposed Bonus Issue of Warrants and Proposed Diversification.**

On 8 October 2021, on behalf of the Board of Directors of Euro, M&A Securities Sdn. Bhd. ("M&A") had announced that the Company was proposing to undertake the following:-

- 1 Proposed Acquisition of a parcel of leasehold land together with on-going renovation of a single-storey showroom complex with a mezzanine floor held under PN 54145, Lot 19403, Mukim Cheng, District Of Melaka Tengah, State of melaka bearing the postal address of 19403-1, Jalan TTC 12, Taman Teknologi Cheng, 75250 Cheng, Melaka on a renovated basis together with the issuance of Certificate of Completion and Compliance from Imponotive Auto Sdn Bhd for the purchase consideration of RM56,000,000 to be stisfied via issuance of new ordinary shares in EURO.  
**(Proposed Acquisition I)**
- 2 Proposed Acquisition of a parcel of leasehold industrial land erected with four (4) blocks of industrial buildings held under PN 65466, Lot 20111 Mukim Cheng, District of Melaka Tengah, State of Melaka bearing the postal address of 19400-1, Jalan TTC 12, Taman Teknologi Cheng, 75250 Cheng, Melaka from Supreme Power Auto Sdn Bhd for the purchase consideration of RM61,000,000 to be satisfied via issuance of new EURO shares **(Proposed Acquisition II)**
- 3 Proposed settlement of debt owing to Dato' Sri Lim Teck Boon, the Group Managing Director and major shareholder of EURO, via the issuance of 22,301,516 new EURO shares ("Settlement Shares") at the issue price of RM0.4484 per Settlement Share **(Proposed Debt Settlement)**
- 4 Proposed special issue of up to 74,000,000 new EURO Shares, representing 9.2% of the existing issued capital of EURO to S.P.A Furniture Sdn Bhd and third party investors to be identified **(Proposed Special Issue)**
- 5 Proposed bonus issue of up to 579,564,629 free warrants in EURO ("Warrants") on the basis of one (1) Warrant for every two (2) existing shares held on entitled shareholders of the Company on an entitlement date to be determined and announced later **(Proposed Bonus Issue of Warrants)**; and
- 6 Proposed diversification of EURO and its subsidiaries' existing business to include the trading of steel products business segment **(Proposed Diversification)**

#### B8. Group Borrowings and Debt Securities

The Group's borrowings as at 30 September 2021 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
<b><u>Secured</u></b>			
Overdrafts	11,871	-	11,871
Bills payables	1,996	-	1,996
Term loans and borrowings	7,363	7,749	15,112
Lease payables	37	3	40
	<u>21,267</u>	<u>7,751</u>	<u>29,019</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

**EURO HOLDINGS BERHAD**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS - QUARTER ENDED 30 SEP 2021****B9. Dividend**

No dividend has been proposed or declared for the financial period ended 30 September 2021 (30 September 2020: Nil).

**B10. Derivative Financial Instruments**

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

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

There is no outstanding position as at 30 September 2021.

**B11. Earnings Per Share**

The earnings per share for the quarter ended 30 September 2021 is computed as follows:-

	<b>Current Quarter Ended 9/30/2021</b>	<b>Preceding Year Corresponding Quarter Ended 9/30/2020</b>	<b>Current Period Ended 9/30/2021</b>	<b>Preceding Period Ended 9/30/2020</b>
Loss for the quarter/period, attributable to ordinary shareholders of the Company (RM'000)	<b>(3,103)</b>	3,405	<b>(7,344)</b>	(4,088)
Weighted average number of shares ('000)	<b>801,900</b>	267,300	<b>801,900</b>	267,300
Basic Earnings Per Share (sen)	<b>(0.39)</b>	1.27	<b>(0.92)</b>	(1.53)

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 2021.

**B12. Material Litigation**

As at 26 November 2021, there was no material litigation since the last annual balance sheet date except for the following:-

**1) Kuala Lumpur High Court ("High Court") Case No. WA-22NCVC-340-05/2019. Chia Wooi Chiew ("CWC") v. Euroland & Development Sdn. Bhd. ("ELD")**

**Putrajaya Court of Appeal Case No. W-02(IM)(NCVC)-1345-09/2020. ELD v. CWC**

**Putrajaya Federal Court Case No. 08(i)-422-09/2021(W). CWC v. ELD**

On 11 May 2019, ELD had been served with a sealed Writ and Statement of Claim dated 2 May 2019 and 29 April respectively by CWC for, amongst others, specific performance of alleged Sale and Purchase Agreements involving four (4) units of residential properties to be developed by ELD and/or a total sum of RM2,800,000 as damages in lieu of specific performance.

ELD's solicitors 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 November 2019, the High Court granted Plaintiff's application for Suit 288 under Note 2 to be consolidated into this case. The consolidated case was on trial from 28th to 30th September 2020 but was vacated due to Conditional Movement Control Order. Subsequent to that, the High Court has fixed a further case management date on 13 April 2021 to enable the parties to fix further trial dates.

The High Court has allowed the ELD application to set aside the subpoena with costs of RM2,000.00 to be paid by ELD and ELD has filed an appeal against the High Court decision on 8.3.2021 and updated the Court accordingly on 22.6.2021.

ELD has filed amended Statement of Defence and Counterclaim pursuant to the Court of Appeal Order dated 23.8.2021. The Respondent has filed Reply and Defence to the Amended Statement of Defence and Counterclaim on 20.9.2021.

Further to that, ELD has filed an application to stay the proceedings of the High Court, namely to stay the trial in the High Court from proceeding further pending disposal of the appeal in the Court of Appeal against the High Court's decision to dismiss ELD's amendment application. The Court of Appeal has fixed the next case management on 8.4.2021.

The Court of Appeal has allowed the ELD application to amend Statement of Defence with costs of RM5,000.00 to be paid by the Respondent to ELD. Order dated 20.9.2020 in High Court has been set aside.

On 22.9.2021, CWC has filed Notice of Motion to apply for leave to appeal to the Federal Court against the Court of Appeal decision on 23.8.2021.

**2 Kuala Lumpur High Court ("High Court") Case No. WA-22NCVC-288-05/2019. Goh Bee Ling ("GBL") v. Euroland & Development Sdn. Bhd. ("ELD")**

**Putrajaya Court of Appeal Case No. W-02(IM) (NCVC)-1341-09/2020. ELD v. GBL**

**Putrajaya Federal Court Case No. 08(i)-422-09/2021(W). GBL v. ELD**

On 30 May 2019, ELD had been served with a sealed Writ and Statement of Claim dated 21 May 2019 and 20 May 2019 respectively, by GBL for, amongst others, specific performance of alleged Sale and Purchase Agreements involving four (4) units of residential properties to be developed by ELD and/or a total sum of RM2,800,000 as damages in lieu of specific performance.

ELD's solicitors 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 November 2019, the High Court granted the application disclosed in Note 1 to consolidate Suit 340 and this case. The High Court has fixed a further case management date on 13 April 2021 to enable the parties to fix further trial dates.

ELD has filed amended Statement of Defence and Counterclaim pursuant to the Court of Appeal Order dated 23.8.2021. The Respondent has filed Reply and Defence to the Amended Statement of Defence and Counterclaim on 20.9.2021.

Further to that, ELD has filed an application to stay the proceedings of the High Court, namely, to stay in trial in the High Court from proceeding further pending disposal of the appeal in the Court of Appeal against the High Court's decision to dismiss ELD's amendment application. ELD's stay of proceeding application is fixed for hearing on 8 April 2021.

The Court of Appeal has allowed the ELD application to amend Statement of Defence with costs of RM5,000.00 to be paid by the Respondent to ELD. Order dated 20.9.2020 in High Court has been set aside.

On 22.9.2021, GBL has filed Notice of Motion to apply for leave to appeal to the Federal Court against the Court of Appeal decision on 23.8.2021.

**3 Kuala Lumpur Session Court ("Session Court") Case No. WA-B52NCC-102-03/2019. Bina-Pile Industries Sdn. Bhd. ("Bina-Pile") v. All Ways Builder Sd Bhd ("AWB") and Euroland & Development Sdn. Bhd. ("ELD")**

**Kuala Lumpur High Court ("High Court") Case No. WA-12BNCC-16-07/2020. Bina-Pile v. ELD**

**Putrajaya Court of Appeal ("Appeal Court") Case No. W-04(NCC)(W)-225-05/2021. ELD v. Bina-Pile**

The Plaintiff claimed for RM996,205.51 against the debts due and owing by AWB where ELD acted as corporate guarantor. AWB is the main contractor of a project to be developed by ELD and has provided corporate guarantee to the Plaintiff for materials 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 ELD was dismissed by the court on 22 July 2020, where the parties have been directed to proceed with the full trial. The trial of the case was concluded and the Session Court has dismissed the Plaintiff's claim against ELD with the cost of RM10,000.

The Plaintiff has appealed against the decision in the High Court (High Court case: WA-12BNCC-16-07/2020). The High Court has delivered its decision on 26.4.2021 to set aside the judgement of The Sessions Court dated 22.7.2020.

ELD has filed an appeal on 4.5.2021 in the Court of Appeal against the High Court decision and the Court of Appeal has fixed the hearing on 19.1.2022.

**4 Kuala Lumpur High Court Case No. WA-22NCVC-890-12/2019. Tan Kim Swat v. Euroland & Development Sdn. Bhd. ("ELD"), Choong Yueng Keong @ Tong Yuen Keong, Tong Yun Mong, Tong Kah Hoe, Ong Kar Voi, Alex Boon Thai Woo, Chin Jing Shen, Veronica a/p Steevan and Messrs K.V. Ong, Chua & Partners ("& 8 Others")**

**Putrajaya Court of Appeal Case No. W-02(IM)(NCVC)-1217-06/2021. ELD v. Tan Kim Swat**

ELD had been served with an amended sealed Writ and amended Statement of Claim dated 2 December 2019, by Tan Kim Swat 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 ELD and/or general damages.

The Group brought a counter claim against Tan Kim Swat and Tong Kah Hoe for conspiracy to defraud. The Court has reschedule the case for trial to 7.9.2022, 26.9.2022, 13.10.2022, 9.11.2022.

Further to that ELD has file an appeal with the Court of Appeal and it was granted on 20.10.2021, the case to be heard together with case W-02(IM)(NCVC)-1093-08/2020.

**5 Kuala Lumpur High Court Case No. WA-22NCC-246-06/2020. ADY Marketing Sdn. Bhd. v. Euroland & Development Sdn. Bhd. ("ELD") v. Euro Holdings Berhad ("EHB")**

**Kuala Lumpur High Court Case No. WA-22NCC-632-12/2020 (previously known as BA-B52NCC-133-07/2020) ADY Marketing Sdn Bhd v. All Ways Builder Sdn Bhd (1st Defendant), Euro Holdings Berhad ("EHB" or 2nd Defendant), Wong Kin Sing (3rd Defendant) and Chia Chiu Hoon (4th Defendant)**

The Plaintiff has through a Credit Form Application agreed with 1st Defendant to supply goods via credit to the 1st Defendant. Plaintiff has supplied steel products to the 1st Defendant for Project Damai Vista, Cheras, Kuala Lumpur and the 2nd Defendant has guaranteed the payment for the goods supplied to the 1st Defendant vide a Letter of Guarantee and Indemnity.

The matter has been consolidated with WA-B52NCC-41-01/2021 under Note 7 and judgement was delivered on 30.7.2021

- a. Dismissing ELD and EHB application (Consolidation & Consequential Directions) with cost in the cause;.
- b. Dismissing 2nd and 3rd Defendants in the Counterclaim's Discovery Application with cost of RM1,000 payable to EHB.

ELD on 13.7.2021 has file for Discovery Application against 2nd and 3rd Defendants and the hearing has been completed on 9.9.2021. On 24.9.2021, the Court has dismissed the application with cost in the cause and pre-trial case management directions were given wherein the parties will have to update the court on 9.12.2021

**6 Kuala Lumpur High Court Case No. WA-22NCVC-856-12/2020. Yap Yih Tze ("YYT") v. Euroland & Development Sdn. Bhd. ("ELD")**

ELD has been served with a Writ and Statement of Claim dated 29 December 2020, by YYT for, amongst others, specific performance of alleged Sale and Purchase Agreements involving two (2) units of residential properties to be developed by ELD and/or a total sum of RM600,000 as damages in lieu of specific performance.

The case management is fixed on 10 February 2022 and the trial has been fixed on 11 April 2022 and 12 April 2022.

**7 Kuala Lumpur Sessions Court Case no. WA-B52NCC-41-01/2021. M South Marketing Sdn Bhd ("M South") v. All Ways builder Sdn Bhd ("All Ways" or 1st Defendant) and Euro Holdings Berhad ("EHB" or 2nd Defendant)**

EHB has been served with a Writ of Summons and Statement of Claim on 20 January 2021. The Plaintiff has claimed a total sum of RM315,880.27 and late payment interest as agreed in the sum of RM121,076.52, for alleged goods delivered to 1st Defendant and alleged corporate guarantee given by the 2nd Defendant.

The 2nd Defendant denies the aforementioned claims and claims that the Plaintiff has in fact involved in conspiracy relationship with the former Directors of EHB to defraud the 2nd Defendant.

The matter has been consolidated with WA-22NCC-246-06/2020 and WA-22NCC-632-12/2020 under note 5

**8 Shah Alam Sessions Court ("Sessions Court") Case no. BA-A52NCVC-25-01/2021. Ban Hee Metal Sdn. Bhd. v. All Ways Builder Sdn Bhd ("All Ways" or 1st Defendant) and Euroland & Development Sdn. Bhd. ("ELD" or 2nd Defendant)**

**Shah Alam High Court ("High Court") Case no. BA-12ANCVC-106-07/2021. Ban Hee Metal Sdn. Bhd. v. All Ways Builder Sdn Bhd ("All Ways" or 1st Defendant) and Euroland & Development Sdn. Bhd. ("ELD" or 2nd Defendant)**

2nd Defendant has been served with a Writ of Summons and Statement of Claim on 13 January 2021. The Plaintiff has claimed a total sum of RM90,284.46 and late payment interest as agreed in the sum of RM50,655.38 as at 30 November 2019, for alleged goods delivered to 1st Defendant and alleged corporate guarantee given by the 2nd Defendant.

However, the 2nd Defendant denies the aforementioned claims by disputing the 3 outstanding invoices dated 3 May 2018, 5 May 2018 and 31 May 2018 amounting to RM90,284.46 and the said invoices are supposed to be paid by the 1st Defendant. The 2nd Defendant has filed counterclaim against the Plaintiff and the 1st Defendant.

ELD appeal for dismissed of summary judgement was dismissed by the High Court on 29.10.2021 with cost of RM5,000 each to both respondents.

The next case management is fixed on 2.12.2021 to receive instruction for Pre-trial directions.

**9 Shah Alam Sessions Court ("Sessions Court") Case no. BA-22NCVC-447-10/2020. Tan Chee Who, Phan Work Kei and Bestphone Trading ("the Plaintiffs") v. Tong Kah Hoe, Tong Yun Mong and Euroland & Development Sdn. Bhd. ("ELD" or 3rd Defendant)**

Defendants had been served with a sealed Writ and Statement of Claim dated 28.10.2020 by the Plaintiffs, amongst others, for specific performance of alleged Sale and Purchase Agreements involving twelve (12) units of residential properties to be developed by 3rd Defendant and/or total sum of RM2,500,000 as damages in lieu of specific performance.

Pre-trials date is fixed on 15,16, 17, 18 March 2022.

**10 Putrajaya Court of Appeal ("Court of Appeal") Case No. W-02(NCVC)(W)-1248-09/2020. Euroland & Development Sdn. Bhd. ("ELD") v. Supreme Code Land Sdn. Bhd. ("SCL")**

On 14 March 2019, ELD had been served with a sealed Writ and Statement of Claim both dated 7 March 2019 by SCL for, amongst others, specific performance of alleged Sale and Purchase Agreements involving four (4) units of residential properties to be developed by ELD and/or a total sum of RM3,062,284 as damages in lieu of specific performance.

The Kuala Lumpur High Court, on 10 August 2020, granted:

1. An order for the sum of RM1,200,000 to be paid by ELD to SCL
2. An order for costs of RM35,000 to be paid by ELD to SCL

ELD then proceed to file an appeal in the Court of Appeal to appeal against the Kuala Lumpur High Court's decision on 25 February 2021. The Court of Appeal had on 1.10.2021 allowed ELD stay application in and all proceeding in the present appeal pending the disposal of Kuala Lumpur High Court Suit No. WA-22NCVC-288-05/2019 and WA-22NCVC-340-05/2019 with the liberty to file afresh.

**11 Kuala Lumpur High Court ("High Court") Case No. WA-22NCVC-55-02/2021. Lim Yeow Hon & 3 Others ("LYH") v. Euroland & Development Sdn. Bhd. ("ELD" or 1st Defendant) & 11 Others ("Defendants")**

On 30 March 2021, ELD had been served with a Writ and Statement of Claim dated 1 February 2021 by LYH for, amongst others, specific performance of alleged Sale and Purchase Agreements involving five (5) units of residential properties to be developed by ELD. However, the said units have been rightfully owned by other third parties.

ELD has filed substituted service against Tong Kah Hoe on 10.9.2021 which was allowed by the High Court and the next case management to be heard on 9.12.2021.

**12 Shah Alam Sessions Court ("Sessions Court") Case No. BA-B52NCVC-113-04/2021. Loh Teck Wah ("LTW") v. Euroland & Development Sdn. Bhd. ("ELD")**

On 21 April 2021, ELD had been served with a Writ and Statement of Claim dated 16 April 2021. LTW alleged that a Friendly Loan Agreement was entered where ELD agreed to borrow from LTW and LTW had agreed to lend to ELD.

ELD failed to repay the sum of RM500,000.00 to LTW pursuant to the Friendly Loan Agreement. LTW claimed to have suffered loss and damages due to the failure of repayment and breached of the Friendly Loan Agreement.

On 2.9.2021, the case has been transferred to High Court and an affidavit in reply for Summary Judgement was filed on 8.1.2021 and the next case management to be heard on 29.11.2021.

**13 Kuala Lumpur High Court ("High Court") Case No. WA-22NCC-355-08/2021. All Ways Builder Sdn. Bhd. ("All Ways") v. Euroland & Development Sdn. Bhd. ("ELD") & Euro Holdings Berhad ("EHB")**

On 23 August 2021, ELD had been served with a Writ and Statement of Claim dated 13 August 2021. All Ways alleged being appointed as Main Contractor for the project to be developed by ELD. All Ways claimed for RM8,767,031.97 against the debts due and owing by ELD as the project to be developed has completed and achieved the "Conditional Certificate of Practical Completion"

On 12.10.2021, during the case management, the High Court has directed the Striking Out Application to be heard on 1.12.2021.

**14 Shah Alam High Court ("High Court") Case No. BA-22NCvC-210-05/2021. Chow Ye An & 21 Others ("CYA") v. Euroland & Development Sdn. Bhd. ("ELD")**

ELD had been served with a Writ and Statement of Claim dated 17 May 2021, by CYA for, amongst others, specific performance of alleged failure to deliver vacant possession of the respective units and common property within the stipulated time under the Sale and Purchase Agreements involving residential properties to be developed by ELD.

A Notice of Termination for alleged breached of terms and conditions in the Sale and Purchase Agreement has been issued and ELD has filed for defence on 2.11.2021. Notice to Produce being filed and the next case management to be heard on 8.12.2021.

**15 Shah Alam High Court ("High Court") Case No. BA-22BCvC-388-10/2021. Lam Pheng Pheng & Others ("LPP") v. Euroland & Development Sdn. Bhd. ("ELD")**

ELD had been served with a Writ and Statement of Claim dated 4 October 2021, by LPP for, amongst others, specific performance of alleged Sale and Purchase Agreements involving the residential properties to be developed by ELD and/or total sum of RM1,797,925 as damages in lieu of specific performance.

ELD has filed for defence on 3.11.2021 and Notice to Produce. The next case management to be heard on 7.12.2021

**B13. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors on 26 November 2021.