

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Circular (as defined herein) prior to its issuance as the contents of the Circular fall under the category of Exempt Circulars pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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EURO HOLDINGS BERHAD
[Registration No.: 200401008055 (646559-T)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PART A

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”)

PART B

PROPOSED RENEWAL OF SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY AT ANY GIVEN POINT IN TIME (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)

(COLLECTIVELY KNOWN AS “PROPOSAL”)

The resolution in respect of the above proposal will be tabled as Special Business at the Twentieth (“20th”) Annual General Meeting (“AGM”) of Euro Holdings Berhad (“Euro” or “the Company”) to be conducted on a virtual basis through live streaming and Remote Participation and Voting (“RPV”) Facilities from the online meeting platform at <https://web.vote2u.my> operated by Agmo Digital Solutions Sdn. Bhd. in Malaysia (Domain Registration Number with MYNIC D6A471702) on Tuesday, 17 December 2024, at 10.00 a.m. or any adjournment thereof, together with a Form of Proxy, are enclosed together with the Annual Report of the Company for the financial year ended 30 June 2024.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible at the Share Registrar Office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the meeting. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Sunday, 15 December 2024 at 10.00 a.m.

Date and time of 20th AGM : Tuesday, 17 December 2024 at 10.00 a.m.

This Circular is dated 30 October 2024

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	The Companies Act, 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force.
AGM	:	Annual General Meeting
Audit Committee	:	Audit Committee of Euro
Board	:	Board of Directors of Euro
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
CCC	:	Certificate of Completion and Compliance
Circular	:	This circular to shareholders of Euro dated 30 October 2024
Dato' Sri Lim	:	Dato' Sri Lim Teck Boon, the major shareholder of Euro
Datin Sri Ong	:	Datin Sri Ong Lely, the Group Managing Director of Euro and the Spouse of Dato' Sri Lim Teck Boon, the major shareholder of Euro
Director(s)	:	Director(s) as defined under Paragraph 10.02(c) of the Listing Requirements
EPS	:	Earnings per Share
EURO Group or Group	:	Collectively, Euro and its subsidiaries
EURO or Company	:	Euro Holdings Berhad
EURO Share(s) or Share(s)	:	Ordinary share(s) in Euro
Euro Chairs	:	Euro Chairs Manufacturer (M) Sdn Bhd [Registration No. 198701006250 (164921-X)], a wholly-owned subsidiary of Euro
Euro Space	:	Euro Space Industries (M) Sdn Bhd [Registration No. 198301010110 (105420-W)], a wholly-owned subsidiary of Euro
Eurosteel	:	Eurosteel Line Sdn Bhd [Registration No. 201001005669 (890287-M)], a wholly-owned subsidiary of Euro
FYE	:	Financial year ended 30 June 2024
IASB	:	Imponotive Auto Sdn Bhd
Interested Directors	:	Collectively, Datin Sri Ong and Datuk Lim Sze Way
Interested Shareholders	Major	Collectively, SPA Furniture, Dato' Sri Lim and Dato' Lim Chaw Teng
LPD	:	On 1 October 2024, being the latest practicable date prior to the printing and despatch of this Circular
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply throughout this Circular (cont'd):

Major Shareholder(s)	A person who has an interest or interests in one or more of voting shares in a corporation and the number or aggregate number of the shares, is: (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in section 8 of the Act.
NA	: Net Assets
Proposed Renewal of Shareholders' Mandate	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature, as set out in Section 2.4 of this Circular
Related Party or Related Parties	Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of Euro
RM and sen	: Ringgit Malaysia and sen, respectively
Shareholders	: Shareholders of Euro
SPA Furniture	: S.P.A. Furniture (M) Sdn Bhd [Registration No. 201001014830(899066-A)], being a major shareholder of Euro
SPASB	: Supreme Power Auto Sdn Bhd [Registration No. 200401030935 (669443-U)]
SPPSB	: Supreme Power Performance (M) Sdn Bhd [Registration No. 200601038054 (757814-U)]
Substantial Shareholder(s)	: A person who has an interest in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares in the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

All references to "you" in this Circular are to the Shareholders.

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PART A

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE



EURO HOLDINGS BERHAD
[Registration No.: 200401008055 (646559-T)]
(Incorporated in Malaysia)

Registered Office:

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia

30 October 2024

Board of Directors:

Lt Gen (R) Dato' Sri Sabri bin Adam (*Independent and Non-Executive Chairman*)
Datin Sri Ong Lely (*Group Managing Director*)
Datuk Lim Sze Way (*Group Deputy Managing Director*)
Yong Teck Wee (*Executive Director*)
Tan Poh Ling (*Non-Independent and Non-Executive Director*)
Chua Yeow Fatt (*Independent and Non-Executive Director*)
Datuk Azmi bin Hussain (*Independent and Non-Executive Director*)
Yip Kit Weng (*Independent and Non-Executive Director*)

To: The Shareholders of Euro

Dear Sirs/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

1. INTRODUCTION

At the Company's 19th AGM held on 5 December 2023, the Company obtained mandates from its shareholders for Euro Group to enter into recurrent related party transactions of a revenue or trading nature, which is necessary for the day-to-day operations with related parties. The said mandates shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming AGM of the Company to be held on Tuesday, 17 December 2024 at 10.00 a.m. or at any adjournment thereof ("said AGM"), unless they are renewed at the said AGM.

In connection thereto, the Board had on 24 October 2024 announced its intention to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the said AGM.

The purpose of this Circular is to provide you with the details of the Proposed Renewal of Shareholders' Mandate and to seek your approval for the proposed ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the said AGM.

The Notice of the 20th AGM and the Proxy Form is set out in the 2024 Annual Report of Euro, together with this Circular, can be downloaded from the Company's website at <http://www.euroholdings.com.my/>.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE 20TH AGM OF THE COMPANY.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a general mandate from its shareholders in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a total issued share capital of RM60.0 million and above:
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,

whichever is the higher.

- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him shall abstain from voting on the resolution approving the RRPT; and

- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured shareholders' mandate pursuant to the above, the provisions of Paragraph 10.08 of the Listing Requirements will not apply with regard to transactions of this Circular.

Accordingly, the Company proposes to seek the approval of the Proposed Renewal of Shareholders' Mandate from its shareholders for the Group to enter into Recurrent Related Party Transactions on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable, and are not detrimental to the minority shareholders.

2.1 Principal Activities of Euro Group

The Company is principally an investment holding company. The principal activities of the subsidiary companies of the Company as at the LPD are set out in the table below:

No.	Name of subsidiary companies	Effective equity interest (%)	Principal activities
1.	Eurosteel Line Sdn Bhd	100	Trading of steel products.
2.	Eurosteel System Sdn Bhd	100	Trading of storages and steel furniture.
3.	Euro Chairs (M) Sdn Bhd	100	Holds the industrial designs and trademarks of Euro Group.
4.	Euro Chairs System Sdn Bhd	100	Trading in furniture, furnishing fabric materials and other furniture components.
5.	Euro Chairs Manufacturer (M) Sdn Bhd	100	Manufacturing and marketing of furniture.
6.	Euro Space System Sdn Bhd	100	Trading of office furniture.
7.	Euro Space Industries (M) Sdn Bhd	100	Manufacturing and trading of office furniture, partitions, chairs and panels.

Due to the diversity of Euro Group, it is anticipated that Euro Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the time-sensitive, confidential and frequent nature of such RRPT, the Board is seeking shareholders' approval for the Proposed Renewal Shareholders' Mandate.

Details of the transactions to be entered into with the Related Parties are set out in Section 2.4 below. Such transactions are entered into on terms which are not more favourable to Related Parties other than those generally available to the public.

2.2 Categories and Details of RRPTs

The Company proposes to seek a general mandate from its shareholders to enter into arrangement or transactions with the below-said company which are necessary for the day-to-day operations of the Group and are based on normal commercial terms not more favourable for the below-said company than those available to the public.

The types of RRPTs to be covered under the Proposed Shareholders' Mandate are anticipated to include the following transactions with the Related Parties: -

- (a) Provision and/or receipt of property development projects, construction contracts, project management and property development-related services and construction-related services; and
- (b) Lease of office premises, plant & equipment and factories to/from Related Parties.

The list of companies is as follows:

a) SPPSB

SPPSB was incorporated in Malaysia as a private limited company by shares and principally involved in trading of high-performance stainless-steel muffler and automotive parts.

As at LPD, the issued share capital of SPPSB is RM3,200,000, comprising 3,200,000 ordinary shares.

The directors of SPPSB are as follows:

No.	Name of Directors
1.	Dato' Sri Lim Teck Boon
2.	Yong Thien Wiew

The shareholders and shareholdings of SPPSB as at the LPD are as follows:

No.	Name of Shareholders	No. of Shares Held	%
1.	Dato' Sri Lim Teck Boon	3,050,000	95.3
2.	Yong Thien Wiew	150,000	5.7
	Total	3,200,000	100.0

b) IASB

IASB was incorporated in Malaysia as a private limited company by shares and is principally involved in trading all kinds of automobile exhaust mounting and related accessories.

As at LPD, the issued share capital of IASB is RM3,001,000, comprising 3,001,000 ordinary shares.

The directors of IASB are as follows:

No.	Name of Directors
1.	Dato' Sri Lim Teck Boon
2.	Dato' Lim Chaw Teng

The shareholders and shareholdings of IASB as at the LPD are as follows:

No.	Name of Shareholders	No. of Shares Held	%
1.	Dato' Sri Lim Teck Boon	2,970,990	99.0
2.	Dato' Lim Chaw Teng	30,010	1.0
	Total	3,001,000	100.0

c) SPASB

SPASB was incorporated in Malaysia as a private limited company by shares. It is principally involved in manufacturing, wholesaling, and exporting automobile spare parts and providing other related services.

As at LPD, the issued share capital of SPASB is RM4,000,000, comprising 4,000,000 ordinary shares.

The directors of SPASB are as follows:

No.	Name of Directors
1.	Dato' Sri Lim Teck Boon
2.	Dato' Lim Chaw Teng
3.	Lim Jen Jin

The shareholders and shareholdings of SPASB as at the LPD are as follows:

No.	Name of Shareholders	No. of Shares Held	%
1.	Dato' Sri Lim Teck Boon	3,999,999	100.0
2.	Lim Jen Jin	1	Negligible
	Total	4,000,000	100.0

2.3 Validity Period of the Proposed Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate is subject to annual renewal. In this respect, the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the 20th AGM, will take effect upon the conclusion of the 20th AGM and will continue to be enforced until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
 - (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is earlier.

2.4 Nature of Recurrent Transactions contemplated under the Proposed Renewal of Shareholders' Mandate

The details of the nature of Recurrent Transactions pursuant to the Proposed Renewal of Shareholders' Mandate are as follows:

Mandated Related Party	Transacting Party in Euro	Nature of RRPT	Nature of relationship	Aggregate value during the validity period of the proposed RRPT mandate ("Current Estimated Value") for the period from the forthcoming AGM to the next AGM in year 2025 (RM'000)	Estimated value as disclosed in the Circular to Shareholders dated 31 October 2023 (RM'000)	Actual value transacted from last AGM date to 1 October 2024 ("LPD") (RM'000)
SPPSB (Provider)	Euro Group (Recipient)	Rental of four forklifts and two (2) reach trucks	Datin Sri Ong Lely, the Group Managing Director and the Spouse of Dato' Sri Lim Teck Boon, the major shareholder of Euro via his direct and indirect shareholdings of a total of 38.296% in Euro. Dato' Sri Lim Teck Boon is a Director and shareholder of SPPSB, with a shareholding of 95%.	300	301	179

2.4 Nature of Recurrent Transactions contemplated under the Proposed Renewal of Shareholders' Mandate (cont'd)

The details of the nature of Recurrent Transactions pursuant to the Proposed Renewal of Shareholders' Mandate are as follows: (cont'd)

Mandated Related Party	Transacting Party in Euro	Nature of RRPT	Nature of relationship	Aggregate value during the validity period of the proposed RRPT mandate ("Current Estimated Value") for the period from the forthcoming AGM to the next AGM in year 2025 (RM'000)	Estimated value as disclosed in the Circular to Shareholders dated 31 October 2023 (RM'000)	Actual value transacted from last AGM date to 1 October 2024 ("LPD") (RM'000)
IASB (Landlord)	Euro Group (Tenant)	Rental of Lot 19403, Mukim of Cheng, District of Melaka Tengah, State of Melaka	Datin Sri Ong Lely, the Group Managing Director and the Spouse of Dato' Sri Lim Teck Boon, is the major shareholder of Euro, with a total direct and indirect shareholding of 38.296%. Dato' Sri Lim Teck Boon is the Director of IASB, with a direct shareholding of 99% and the remaining 1% held by his father, Dato' Lim Chaw Teng.	3,200	2,811	2,810

2.4 Nature of Recurrent Transactions contemplated under the Proposed Renewal of Shareholders' Mandate (cont'd)

The details of the nature of Recurrent Transactions pursuant to the Proposed Renewal of Shareholders' Mandate are as follows: (cont'd)

Mandated Related Party	Transacting Party in Euro	Nature of RRPT	Nature of relationship	Aggregate value during the validity period of the proposed RRPT mandate ("Current Estimated Value") for the period from the forthcoming AGM to the next AGM in year 2025 (RM'000)	Estimated value as disclosed in the Circular to Shareholders dated 31 October 2023 (RM'000)	Actual value transacted from last AGM date to 1 October 2024 ("LPD") (RM'000)
SPASB (Landlord)	Euro Group (Tenant)	Rental of Lot 20111, Mukim of Cheng, District Tengah, State of Melaka	Datin Sri Ong, the Group Managing Director and the Spouse of Dato' Sri Lim Teck Boon, the major shareholder of Euro via his direct and indirect shareholdings of a total of 38.296% in Euro. Dato' Sri Lim is also a Director and Shareholder of SPASB holding 100% in SPASB.	3,500	2,936	2,278

2.4 Nature of Recurrent Transactions contemplated under the Proposed Renewal of Shareholders' Mandate (cont'd)

The details of the nature of Recurrent Transactions pursuant to the Proposed Renewal of Shareholders' Mandate are as follows: (cont'd)

Description of the Property:

Description	Postal address	Total built-up area (square feet)	Estimated Rental value (Monthly)	Period of Tenancy	Ownership
A parcel of leasehold land together with on-going renovation of a single-storey complex with a mezzanine floor held under PN 54145, Lot No. 19403, Mukim of Cheng, District of Melaka Tengah, State of Melaka bearing the postal address of Lot No. 19403-1, Jalan TTC 12, Taman Teknologi Cheng 75250 Cheng, Melaka	PN 54145, Lot No. 19403, Mukim of Cheng, District of Melaka Tengah, State of Melaka bearing the postal address of Lot No. 19403-1, Jalan TTC 12, Taman Teknologi Cheng 75250 Cheng, Melaka	180,180.25	RM237,838	2 years	IASB
A parcel of leasehold industrial land erected with four (4) blocks of industrial buildings held under PN 65466, Lot No. 20111, Mukim of Cheng, District of Melaka Tengah, State of Melaka bearing the postal address of Lot No. 19400-1, Jalan TTC 12, Taman Teknologi Cheng 75250 Cheng, Melaka	PN 65466, Lot No. 20111, Mukim of Cheng, District of Melaka Tengah, State of Melaka bearing the postal address of Lot No. 19400-1, Jalan TTC 12, Taman Teknologi Cheng 75250 Cheng, Melaka	188,229.00	RM248,462	2 years	SPASB

** The estimated value is based on the expected value of the transaction to be entered into with Related Parties and the estimates of management based on the information available at the time of decision-making. The estimated value may vary and is subject to changes.

2.5 Review Methods or Procedures for the RRPTs

Euro Group have established various methods and procedures to ensure the RRPTs are undertaken at arms' length and on normal commercial terms, which are consistent with Euro Group's usual business practices and policies, on transaction prices and terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows:

- (i) the Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholder's mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market-driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) The management of the Euro Group are cognisant that, all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where it is impractical or impossible for quotes and/or tenders to be obtained from unrelated parties, or where there have not been any similar or substantially similar transactions between Euro Group and unrelated third parties, the terms of the transactions for the products or services will be in accordance with the Group's usual business practices and policy of the Group and are not detrimental to Euro Group;
- (iv) There is no specific threshold for approval of RRPTs within the Euro Group. However, all RRPTs are subject to the approval of the appropriate levels of authority as determined by the Board and/or the management of Euro from time to time, subject to the provisions in the Listing Requirements and/or the Act, where necessary;
- (v) Records will be maintained by the respective companies to capture all RRPTs which are entered pursuant to the shareholders' mandate;
- (vi) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPTs have been complied with; and

- (vii) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

2.6 Statement by Audit Committee

The Audit Committee has the overall responsibility of determining whether the methods or procedures for reviewing all RRPTs are appropriate. The Audit Committee will review and ascertain at least once a year whether the methods and procedures established to monitor RRPTs have complied with the Listing Requirements. If it is determined that the method and procedures stated in Section 2.5 in this Circular are inadequate to ensure that (i) the RRPTs will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee have seen and reviewed the procedures set out in Section 2.5 of this Circular and is of the view that the Group has in place adequate procedures and processes to monitor, track, and identify RRPT(s) in a timely and orderly manner.

The Audit Committee is of the opinion that review procedures set out in Section 2.5 in this Circular are sufficient to ensure that the RRPTs are not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company.

2.7 Disclosure of RRPTs in Annual Report

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with Euro Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate has been obtained.

2.8 Amount Due and Owing by the Related Parties pursuant to the RRPTs

The disclosures as required under Paragraphs 16A and 16B in Annexure PN12-A of the Practice Note 12 of the Listing Requirements are not applicable.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will enable Euro Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time-sensitive in nature and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channelled towards attaining other corporate objectives.

The RRPTs carried out within Euro Group create mutual benefits for the Group's companies, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, the RRPTs are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close cooperation and a good understanding of each other's business needs, thus providing a platform where all parties can benefit from conducting the RRPTs.

4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the Substantial Shareholders of the Company.

5. CONDITION OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of Euro at the 20th AGM.

6. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders of the Company who are interested and/or do not consider themselves independent in the RRPTs are as follows:

	Direct Interest		Indirect Interest	
	No. of Euro Shares	% ⁽¹⁾	No. of Euro Shares	% ⁽¹⁾
<u>Directors</u>				
Datuk Lim Sze Way ⁽³⁾	-	-	285,000	0.02
Datin Sri Ong ⁽⁴⁾	-	-	2,068,500	0.15
<u>Major Shareholders</u>				
Dato' Lim Chaw Teng ⁽⁵⁾	-	-	508,559,200 ⁽²⁾	38.30
Dato' Sri Lim Teck Boon ⁽³⁾	1,783,500	0.13	508,559,200 ⁽²⁾	38.30
SPA Furniture	508,559,200	38.30	-	-

Notes:

- (1) Based on issued share capital of 1,327,967,100 Shares as at the LPD.
(2) Deemed interested through his shareholdings in SPA Furniture by virtue of Section 8 of the Act.
(3) Datuk Lim Sze Way is the sister of Dato' Sri Lim Teck Boon ("Dato' Sri Lim").
(4) Datin Sri Ong is the spouse of Dato' Sri Lim.
(5) Dato' Lim Chaw Teng is the father of Dato' Sri Lim and Datuk Lim Sze Way.

Accordingly, the Interested Directors, namely Datin Sri Ong and Datuk Lim Sze Way ("**Interested Directors**") have abstained. They will continue to abstain from all deliberations and voting on matters relating to the Proposed Renewal of Shareholders' Mandate at board meetings.

Further thereto, the Interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings in Euro, if any and shall ensure that persons connected to them abstain from voting at the forthcoming AGM on the ordinary resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate.

The interested Major Shareholders, namely Dato' Sri Lim Teck Boon, Dato' Lim Chaw Teng and SPA Furniture ("**Interested Major Shareholders**") will abstain from voting in respect of their direct and/or indirect shareholdings in the Company. The Interested Major Shareholders have undertaken to ensure that persons connected to them will abstain from voting at the forthcoming 20th AGM on the resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate.

Dato' Lim Chaw Teng, Datin Sri Ong and Datuk Lim Sze Way, being persons connected to Dato' Sri Lim Teck Boon, the Interested Major Shareholders will abstain from voting in respect of its direct and/or indirect shareholdings in the Company on the resolution pertaining to the Proposed Shareholders' Mandate and have undertaken to ensure that persons connected to them will abstain from voting on the resolution deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 20th AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders and/or persons connected with the Directors and/or the Major Shareholders have any interest, directly or indirectly, in the Proposed Renewal of Shareholders' Mandate.

7. APPROVAL REQUIRED

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval of the Shareholders of the Company being obtained at the forthcoming 20th AGM to be convened.

8. DIRECTORS' RECOMMENDATION

The Board, save for the Interested Directors, having considered all aspects of the Proposed Renewal of Shareholders' Mandate and after careful deliberation, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and accordingly, the Board, save for the Interested Directors, recommends that the shareholders of the Company to consider vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 20th AGM.

9. 20th AGM

The Ordinary Resolution in respect of the Proposed Renewal of Shareholders' Mandate will be tabled at Special Business at the Company's forthcoming 20th AGM. The Circular is available at <http://www.euroholdings.com.my> together with the Annual Report 2024, Notice of 20th AGM, Proxy Form and the Administrative Guide for 20th AGM.

The 20th AGM of the Company will be conducted on a virtual basis through live streaming and Remote Participation and Voting ("RPV") Facilities from the online meeting platform at <https://web.vote2u.my> operated by Agmo Digital Solutions Sdn. Bhd. in Malaysia (Domain Registration Number with MYNIC D6A471702) on Tuesday, 17 December 2024, at 10.00 a.m. or any adjournment thereof.

If you are unable to attend and vote remotely via the remote participation and voting facilities provided at the AGM, you may appoint a proxy or proxies to attend and vote at the AGM on your behalf. If you wish to do so, you must complete and return the Proxy Form enclosed in the Annual Report 2024 in accordance with the instructions therein as soon as possible and in any event, so as to arrive at the office of the Company's Share Registrar situated at Uat B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur, at least forty-eight (48) hours prior to the scheduled meeting time. Completing and returning the Proxy Form will not prevent you from attending the meeting in person later and casting your vote if you decide to do so.

10. FURTHER INFORMATION

You are advised to refer to Appendix I in this Circular for further information.

Yours faithfully
For and on behalf of the Board
EURO HOLDINGS BERHAD

LT Gen (R) Dato' Sri Sabri bin Adam
Independent Non-Executive Chairman

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APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. MATERIAL CONTRACT

As at the LPD, Euro Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of Euro Group) during the 2 years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, there are no material litigation, claims, and/or arbitrations, either as plaintiff or defendant, that have a material effect on Euro Group's financial position and the Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings that might materially and adversely affect Euro Group's business or financial position, except for the followings:-

(a) Kuala Lumpur Sessions Court ("Sessions Court") Case No. WA-22NCC-137-03/2021 (previously known as 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 had been served with a Writ and Statement of Claim both dated 20 January 2021, by M South wherein M South alleged that M South had supplied goods to All Ways and EHB had guaranteed the payment for the goods supplied to All Ways. M South had claimed for, amongst others, a total principal sum of RM315,880.27, late payment interest of RM121,076.52 as at 31 December 2020 and interest on the principal sum at the rate of 1.5% per annum from 1 January 2021 until full settlement.

EHB had filed the Statement of Defence and Counterclaim on 1 March 2021 to counterclaim against M South for conspiracy to defraud and M South had filed the Reply to Defence and Counterclaim on 12 March 2021.

The matter has been consolidated with WA-22NCC-246-06/2020 and WA-22NCC-137-03/2021 (previously known as WA-B52NCC-41-01/2021) as disclosed in Note 3(b) respectively. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(b) Kuala Lumpur High Court (“High Court”) Case No. WA-22NCC-632-12/2020 (previously known as BAB52NCC-133-07/2020). ADY Marketing Sdn. Bhd. (“ADY”) v. All Ways Builder Sdn. Bhd. (“All Ways” or “1st Defendant”), Euro Holdings Berhad (“EHB” or “2nd Defendant”), Wong Kin Sing (“3rd Defendant”) and Chia Chiw Hoon (“4th Defendant”)

EHB had been served with a sealed Writ dated 1 July 2020 and a sealed amended Statement of Claim dated 6 July 2020 for, amongst others, a principal sum of RM493,634.03 and late payment interest of RM137,746.74 owing and accumulated by All Ways where EHB acts as guarantor for full repayment of the overdue debt owing by All Ways to ADY.

EHB had subsequently on 14 August 2020 filed the Statement of Defence and Counterclaim dated 14 August 2020, wherein EHB had counterclaimed against ADY for, inter alia, the following:

- (i) a declaration that ADY had conspired with the conspirators vide unlawful means to cheat and/or to deceive EHB which caused EHB to suffer losses.
- (ii) a declaration that ADY had conspired with the conspirators with the intention or purpose to injure and/ or affect EHB and/or to cause EHB to suffer losses; and
- (iii) damages to be assessed by the Court for the losses suffered by EHB based on conspiracy actions of ADY and the conspirators against EHB.

ADY had on 27 August 2020 filed the Reply and Defence to the Counterclaim dated 27 August 2020. ADY filed a Notice of Application for Summary Judgement against the Defendants on 27 August 2020 and the Application for Summary Judgement had been dismissed on 3 November 2020.

The matter has been consolidated with WA-22NCC-246-06/2020 and WA-22NCC-137-03/2021 (previously known as WA-B52NCC-41-01/2021) as disclosed in Note 3(a) respectively. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(c) Kuala Lumpur High Court Case No. WA-22NCC-246-06/2020 (Suit 246) ADY Marketing Sdn Bhd (“Plaintiff”) v Euroland & Development Sdn Bhd (“Euroland”) and Euro Holdings Berhad (“EHB”) (collectively “Defendants”)

EHB has been served with a sealed Writ dated 17 June 2020 and a sealed amended Statement of Claim dated 18 August 2020 for, amongst others, a principal sum of RM1,416,753.60 owing and accumulated by Euroland, where EHB acts as guarantor for full repayment of the overdue debt owing by Euroland to the Plaintiff. The Plaintiff has further claimed against Euroland for the remaining principal sum of RM120,392.69 which exceeded the limit guaranteed by EHB together with the outstanding late payment interest of RM479,688.07 incurred.

EHB has subsequently on 3 September 2020 filed the amended Statement of Defence and Counterclaim dated 26 August 2020, wherein EHB has counterclaimed against the Plaintiff for, inter alia, the following:

- (1) a declaration that the Plaintiff has conspired with the conspirators vide unlawful means to cheat and/or to deceive EHB and Euroland which caused them to suffer losses; and
- (2) damages to be assessed by the Court for the losses suffered by EHB and Euroland based on the conspiracy actions of the Plaintiff and the conspirators against them.

The Plaintiff had on 1 September 2020 filed the Reply and Defence to Counterclaim dated 28 August 2020. The Plaintiff had also on 26 August 2020 filed a Notice of Application for Summary Judgement against the Defendants, but the said application was withdrawn on 15 October 2020. The Plaintiff has filed a Notice of Application to strike out EHB’s and Euroland’s counterclaims but the said application has been withdrawn.

The High Court had on 16 December 2020 granted an order to transfer this legal suit to be heard together with the legal suit set out in the above. Euroland has entered a consent judgment with the Plaintiff in November 2023 to settle all the outstanding sums despite the alleged conspiracy issue in the matter.

The trial for the matter has been completed. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(d) Kuala Lumpur High Court Case No. WA-22NCC-355-08/2021 consolidated and new case number under Kuala Lumpur High Court Case No. WA-22NCC-550-12/2021 (Suit 550). All Ways Builder Sdn Bhd (“Plaintiff”) v Euroland Development Sdn Bhd (“Euroland”) and Euro Holdings Berhad (“EHB”) (collectively “Defendants”)

EHB has been served with a Writ and Statement of Claim both dated 13 August 2021, by the Plaintiff for, amongst others, the Defendants to jointly and severally pay a sum of RM8,767,031.97 with interest to the Plaintiff as the outstanding sum owed by the Defendants as the Plaintiff claimed that it is the main contractor of Euroland for the Damai Vista Project and it has completed the Damai Vista Project with the “Conditional Certificate of Practical Completion”.

EHB had on 6 October 2021 filed their Defence and Counterclaim against the Plaintiff, Chia Chiw Hoon, Wong Kin Sing, Choong Yuen Keong @ Tong Yuen Keong, Tong Yun Mong and Tong Kah Hoe to counterclaim for, amongst others, conspiring in causing Euroland’s and EHB’s funds to be channelled out through the Damai Vista Project. The Plaintiff has then filed its Reply to Defence and Defence to the Counterclaim on 27 October 2021.

EHB has subsequently on 11 October 2021 filed a Notice of Application to strike out the Plaintiff’s claim or alternatively, to transfer this legal suit to be heard together with the legal suit set out in the above. The application to transfer this legal suit was granted on 1 December 2021.

Euroland entered a consent judgment with the Plaintiff in November 2023 to settle all the outstanding sums despite the alleged conspiracy issue in the matter. The Plaintiff has adjourned bankrupt on 15.2.2024 after the Order for Winding-Up was entered against them by Ban Hee Metal Sdn.Bhd.

The trial for the matter has been completed. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(e) Malacca High Court Case No. MA-22NCC-22-10/2023 Surian Creations Sdn. Bhd. (“Surian”) v Dato’ Sri Lim Teck Boon (“DSLTB”) and 26 Ors.

Euro Holdings Berhad (“EHB”) and its subsidiaries, Eurosteel Line Sdn. Bhd. (“ESL”), Euro Space Industries (M) Sdn. Bhd. (“ESI”) and Euro Space System Sdn. Bhd. (“ESS”) had on 3 November 2023 received a Writ of Summons and Statement of Claim dated 30 October 2023 and 31 October 2023 respectively.

EHB, ESL, ESI and ESS have been named co-defendants by Surian in a claim that the companies had conspired with EHB's former director, DSLTB and the other defendants in the suit to create fictitious documents and/or transactions with the intention to injure Surian.

Surian had claimed against the defendants, including EHB, ESL, ESI and ESS, jointly and severally, as follows: -

- a) a sum of RM19,285,007.35;
- b) general damages to be assessed by the High Court;
- c) exemplary damages to be assessed by the High Court;
- d) aggravated damages to be assessed by the High Court;
- e) cost on a solicitor-client basis;
- f) interest above the sum of RM19,285,007.35 and any damages awarded by the High Court at the rate of 5% per annum from the date of the Writ of Summons until the date of full settlement thereof; and
- g) such further or other relief as the High Court deems fit and proper.

On 3 September 2024, the Malacca High Court had struck out the entire suit filed by Surian against EHB and its subsidiaries, ESL, ESI and ESS with costs.

On 24 September 2024, Surian had filed an appeal against the Malacca High Court's decision of 3 September 2024.

The board of directors are advised by EHB's solicitors that Surian's appeal has no merits.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur during normal office hours between Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming 20th AGM:

- (i) The Constitution of the Company;
- (ii) The audited consolidated financial statements of the Company for the FPE 30 June 2023 and for the financial year ended 30 June 2024;

PART B

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

“Act”	: The Companies Act, 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“AGM”	: Annual General Meeting of Euro
“Board”	: The Board of Directors of Euro
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“CDS”	: Central Depository System
“Circular”	: The Circular to Shareholders dated 30 October 2024 in relation to the Proposed Renewal Of Share Buy-Back Authority
“CMSA”	: The Capital Markets and Services Act 2007
“Code”	: The Malaysian Code on Take-Overs and Mergers 2016, including any amendments thereto that may be made from time to time
“Director”	: Shall have the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of Euro or any other company which is a subsidiary of Euro or a holding of Euro
“Euro” or “the Company”	: Euro Holdings Berhad
“Euro Group” or “the Group”	: Euro and its subsidiaries
“Euro Share(s)” or “Share(s)”	: Ordinary Shares in Euro
“EPS”	: Earnings per Share
“LPD”	: 1 October 2024, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time

“Major Shareholder(s)”	: A person who (which includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon) has an interest or interests in one or more of the voting shares in the Company (or any other company which is its subsidiary or its holding company) and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:- (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act.
“NA”	: Net assets attributable to ordinary equity holders of Euro
“Proposed Renewal Of Share Buy-Back Authority”	: Proposed Renewal Of Share Buy-Back Of Up To Ten Percent (10%) Of The Total Number Of Issued Shares Of The Company At Any Given Point In Time
“Purchased Euro Shares”	: Shares purchased by Euro pursuant to Section 127 of the Act
“Related Party(ies)”	: Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of Euro
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Shareholders”	: Shareholders of Euro
“SC”	: Securities Commission of Malaysia
“Substantial Shareholder(s)”	: A person who has interest in one or more voting shares in the Company and the number, or aggregate number of those shares, is not less than 5% of the total number of all the voting Shares in the Company
“Annual Report 2024”	: Annual Report of Euro issued for the financial year ended 30 June 2024

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.



EURO HOLDINGS BERHAD

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

Incorporated in Malaysia

Registered Office:

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur
Malaysia

30 October 2024

Board of Directors:

Lt Gen (R) Dato' Sri Sabri bin Adam (*Independent Non-Executive Chairman*)

Datin Sri Ong Lely (*Group Managing Director*)

Datuk Lim Sze Way (*Group Deputy Managing Director*)

Yong Teck Wee (*Executive Director*)

Tan Poh Ling (*Non-Independent Non-Executive Director*)

Chua Yeow Fatt (*Independent Non-Executive Director*)

Datuk Azmi bin Hussain (*Independent Non-Executive Director*)

Yip Kit Weng (*Independent Non-Executive Director*)

To: The Shareholders of Euro

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 24 October 2024, the Board announced that Euro proposed to seek the approval of its shareholders a mandate for the Company to purchase up to 10% of Euro's issued share capital. The Proposed Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules, and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with the relevant information on the Proposed Share Buy-Back Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 20th AGM. The Notice of the 20th AGM together with the Form of Proxy is enclosed in the Annual Report of the Company for the financial period ended 30 June 2024.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHARE BUY-BACK, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSED SHARE BUY-BACK AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT OUR FORTHCOMING 20TH AGM.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR, TOGETHER WITH APPENDICES CONTAINED HEREIN, CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT OUR FORTHCOMING 20TH AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 Proposed Renewal Of Share Buy-Back Authority

The Board is proposing to seek the shareholders' approval for a mandate for Euro to purchase its own Shares for an aggregate amount of up to ten per cent (10%) of the issued share capital at any point in time.

The Proposed Share Buy-Back shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming 20th AGM once approved by the Shareholders and shall continue to be in force until:

- a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of Act); or
- c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

2.2 Quantum

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed ten per cent (10%) of the total number of issued shares of the Company at any point in time.

For illustrative purposes, based on the issued share capital of Euro comprising 1,327,967,100 shares as at LPD, a maximum of 132,796,710 Shares, representing 10% of the total number of issued shares of Euro, may be repurchased by the Company pursuant to the Proposed Share Buy-Back.

Nevertheless, the actual number of Shares in Euro to be purchased by the Company pursuant to the Proposed Share Buy-Back, the total amount of funds involved for each purchase, and the timing of the purchase(s) will depend on, inter alia, the market conditions and sentiments of the stock market, as well as the availability of the Company's financial resources and retained profits.

2.3 Maximum Amount of Funds to be Allocated and the Source of Funds

Paragraph 12.10(1) of the Listing Requirements stipulates that the proposed purchase by a listed company of its own shares must be made wholly out of its retained profits based on the latest Audited Financial Statements of the Company and the latest management accounts (where applicable) of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements of the Company, the accumulated loss of Euro are as follows:

	Accumulated Loss (RM)
Audited financial statement as at 30 June 2024	37,433,000

The Proposed Share Buy-Back will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of Euro Shares to be purchased and other relevant factors. The actual number of Euro Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

2.4 Treatment of the Purchased Shares

In accordance with Section 127 of the Act, the Directors are able to deal with any EURO Shares bought pursuant to the Proposed Share buy-back in the following manner:

- (i) to cancel the Euro Shares so purchased;
- (ii) to retain the Euro Shares so purchased as treasury shares in accordance with the relevant rules of Bursa Securities to:
 - a) distribute the Shares as dividends to the shareholders of the Company, such dividends to be known as "share dividends";

- b) resell the Shares, or any of the Shares in accordance with the relevant rules of Bursa Securities;
- c) transfer the Shares, or any of the Shares for the purposes of or under an employees' share scheme;
- d) transfer the Shares, or any of the Shares as purchase consideration;
- e) cancel the Shares or any of the Shares;
- f) sell, transfer or otherwise use the Shares for such other purposes as may be prescribed; or

(iii) to retain part of the Euro Shares so purchased as treasury shares and cancel the remainder;

or in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

Upon each purchase of the Shares, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board on the treatment of the Purchased Shares. An immediate announcement will also be made to Bursa Securities of any resale, transfer or cancellation of Shares. As at the date of the Statement, the Board has yet to make any decision with regards to the treatment of the Shares so purchased in the future.

Pursuant to Section 127(13) and 127(14) of the Act, where the Directors resolve to cancel the Shares so purchased, the Company's issued capital shall be diminished by the Shares so cancelled and the costs of the Shares shall be applied in the reduction of the profits otherwise available for distribution as dividends.

2.5 Ranking

While the Shares so purchased are held as treasury shares, the rights attached to them as to voting, dividends and participation in any other distribution or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares for any purpose including substantial shareholding, takeovers, notices, the requisition of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

2.6 Purchase Price

In compliance with Paragraph 12.17 of the Listing Requirements, Euro may only purchase its own Shares at a price, which is not more than fifteen per cent (15%) above the weighted average market price for the five (5) market days immediately before the purchase.

2.7 Resale or Transfer Price

The Company may only resell or transfer the treasury shares pursuant to Section 127(7) of the Act at:-

- (i) not less than the weighted average market price of Euro Shares for the five (5) market days immediately before the resale or transfer; or
- (ii) a discounted price of not more than five per cent (5%) to the weighted average market price of Euro Shares for five (5) market days immediately before the resale or transfer provided that:
 - a) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - b) the resale or transfer price is not less than the cost of purchase of Euro Shares being resold or transferred.

2.8 Potential Advantages and Disadvantages of the Proposed Share Buy-Back

Advantages

- (i) The Proposed Share Buy-Back, if implemented, will enable the Company to stabilise the supply and demand of Euro Shares on the Bursa Securities and thereby support the Company's fundamental value;
- (ii) It provides flexibility for the Company in attaining its desired capital structure, in terms of the debt and equity composition and the size of equity;
- (iii) It allows the Company to take preventive measures against excessive speculation, particularly when the Shares are undervalued which would in turn stabilize the market price of Shares to enhance investors' confidence;
- (iv) The resultant reduction of share capital base (in respect of Shares so purchased are then cancelled) is expected to improve the EPS, and may improve the NA per Share as well as the probability of permitting the Company to declare a higher quantum of dividend in future;
- (v) The Board would have the opportunity to utilise its financial resources not immediately required for other use to purchase Euro Shares. Euro may have the opportunity for potential gains if the purchased Euro shares which are retained as treasury shares are resold at prices higher than their purchase price and consequently increase the working capital and NA of the Company;
- (vi) The Company is able to exercise flexibility in dealing with the treasury shares, including but not limited to distribution to shareholders as share dividends, transfer the treasury shares as purchase consideration and transfer pursuant to an employees' share scheme by the Company; and

- (vii) In the event the treasury shares are utilised for distribution to shareholders, the shareholders will have the opportunity to own more shares in the Company.

Disadvantage

- (i) The purchases may result in a reduction of the quantum of reserves available for distribution as dividends and/or bonus issue(s) to the Shareholders if the Shares so purchased are cancelled;
- (ii) The purchase of existing Shares will reduce the financial resources of the Company which may otherwise be retained in the business to generate further profits;
- (iii) The funds allocated for the Proposed Share Buy-Back may result in the Euro Group foregoing other investment opportunities that may emerge in the future; and
- (iv) The working capital of the Group may also be affected, as any purchase of Euro Shares will reduce the Group's working capital depending on the actual number of shares purchased and their purchase price. However, the working capital of the Euro Group may recover and increase upon the reselling of the purchased shares held as treasury shares.

The Board will be mindful of the interests of the Group and the shareholders in implementing the Proposed Share Buy-Back.

2.9 Implication relating to the Code

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code for any of its substantial shareholders and/or parties acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered.

Nonetheless, if the obligation to undertake a mandatory general offer under the Code is expected to be triggered, the substantial shareholders and their respective parties acting in concert will apply for an exemption from the SC. Such exemption may be granted by the SC under Paragraph 4.15(1) of Rule 4 of the Code, subject to there being no disqualifying transaction, approval has been obtained from the independent shareholders of Euro at a meeting to waive their rights to receive the mandatory offer from the substantial shareholders and their respective parties acting in concert; and the names of the parties that have abstained from voting at the meeting have been submitted to the SC.

2.10 Public Shareholding Spread

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of the Company stood at 61.43%.

The Board is mindful of the requirement that any purchase of Euro Shares by the Company must not result in the public shareholding spread of Euro falling below 25% of the total number of issued Shares.

2.11 Other Regulatory Requirements

Based on the Listing Requirements, the Proposed Share Buy-Back is subject to, inter-alia, the following rules:

- (i) The Proposed Share Buy-Back shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined according to the rules of Bursa Securities;
- (ii) The Company shall appoint not more than two (2) stockbroking companies and ensure that all dealings in relation to the Proposed Share Buy-Back are made through the appointed stockbroking companies only; and
- (iii) An immediate announcement will be made to Bursa Securities on any purchase of Shares as well as any resale, transfer or cancellation of Purchased Shares.

2.12 Purchases, Resale, Transfer and Cancellation of Euro Shares made in the previous 12 months

The Company has not made any purchase of own shares, resale, transfer or cancellation of treasury shares made by Euro in the previous 12 months preceding the LPD. As at the LPD, the Company does not hold any treasury shares.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is to permit a stabilising factor on the supply and demand as well as the price of the Shares of Euro on Bursa Securities. Consequently, the fundamental value of the Company may be preserved which may in turn have a favourable impact on the share price of the Company. It is to be carried out when the share price is transacted at levels which do not reflect the potential earnings capabilities and/or underlying asset value of the Group.

The Proposed Share Buy-Back will also enable Euro to utilise its surplus financial resources to purchase the Euro Shares as and when the Board deems fit in the interest of its shareholders during the tenure the authority granted is in effect.

In addition, the Purchased Shares may be held as treasury shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

4. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

In the event that the Company purchases ten per cent (10%) of its total number of issued shares as at LPD, and the shares repurchased are cancelled or alternatively retained as treasury shares or a combination of both, the effects of the Proposed Share Buy-Back on the share capital, Substantial Shareholders' and Directors' shareholdings, NA, working capital and cash flow, earnings and dividends are set out below:-

4.1 Share Capital

In the event that the Proposed Share Buy-Back is implemented in full and all the Purchased Shares are subsequently cancelled, the proforma effects on the number of issued shares of the Company, are as follows:-

	No. of Shares
Number of Euro shares as at LPD	1,327,967,100
Less:-	
Maximum number of ordinary shares which may be purchased and cancelled pursuant to the Proposed Share Buy-Back (assuming all Purchased Shares are fully cancelled)	132,796,710
Resultant number of issued shares	1,195,170,390

If all the Euro Shares purchased are retained as treasury shares, the share repurchase would not have any effect on the share capital and the number of issued shares of Euro. However, the rights attached to the treasury shares as to voting, dividends and participation in other distributions or otherwise would be suspended. The treasury shares shall not be taken into account in calculating the percentage of shares or of a class of shares in the Company for any purpose including, without limiting the generality of this provision, the provisions of any law or requirements of the Constitution or the Listing Requirements on substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of vote on resolution at a meeting.

4.2 NA

The effect of the Proposed Share Buy-Back on the NA of the Euro Group is dependent on the number of Euro Shares that the Company will buy back, the purchase price of the Euro Shares at the time of buy-back, the treatment of the shares so purchased and the funding cost, if any.

If the maximum allowable number of Euro Shares are purchased and cancelled, the Proposed Share Buy-Back would reduce the NA per share of the Euro Group if the purchase price exceeds the NA per share at the relevant point in time. Conversely, the NA per share of the Euro Group would increase if the purchase price is less than the NA per share at the relevant point in time.

If the shares so purchased are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, the NA of the Euro Group will decrease by the cost of the treasury shares.

If the treasury shares are resold on the Bursa Securities, the NA per share will increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per share will decrease by the cost of the treasury shares.

4.3 Working Capital and Cash Flow

The share repurchase will result in an outflow of cash and thereby reduce the working capital of the Euro Group. The quantum of the reduction in working capital is dependent on the purchase prices of the Euro Shares and the number of Euro Shares repurchased and the funding cost, if any.

However, for the Shares so purchased and kept as treasury shares, upon resale, the working capital and cash flow of the Company will increase. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

4.4 Earnings

The effect of the Proposed Share Buy-Back on the EPS of the Euro Group is dependent on the purchase price of Euro Shares, the effective funding cost and/or loss in interest income to the Group thereof. Further, the purchase of the Euro Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

Assuming that any Euro Shares purchased and retained as treasury shares are sold, the effects on the earnings of the Euro Group will depend on the actual selling price, the number of treasury shares sold and the effective gain or interest savings arising from the exercise.

4.5 Dividends

No Assuming that the Proposed Share Buy-back is implemented in full and the dividend quantum is maintained at the previous financial years' dividend quantum, the share buy-back will have the effect of increasing the dividend rate per share as a result of a decrease in the number of Euro Shares which are entitled to participate in the dividends.

4.6 Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Share Buy-Back on the shareholdings of the Directors and the substantial shareholders of Euro based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD assuming the Proposed Share Buy-Back is undertaken in full by Euro, are as follows:

(a) Directors of Euro

No.	Directors	As at the LPD				After the Proposed Share Buy-Back Authority ^(a)			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Datin Sri Ong Lely	-	-	2,068,500	0.159 [^]	-	-	2,068,500	0.170
2.	Datuk Lim Sze Way	-	-	285,000**	0.021**	-	-	285,000	0.020
3.	Yong Teck Wee	1,296,000	0.098			1,296,000	0.110		
4.	Tan Poh Ling	-	-	-	-	-	-	-	-
5.	Lt Gen (R) Dato' Sri Sabri bin Adam	-	-	-	-	-	-	-	-
6.	Chua Yeow Fatt	-	-	-	-	-	-	-	-
7.	Datuk Haji Azmi Bin Hussain	-	-	-	-	-	-	-	-
8.	Yip Kit Weng	-	-	-	-	-	-	-	-

Notes:

(a) Assuming the maximum of 132,796,710 Shares are bought-back by the Company and cancelled pursuant to the Proposed Share Buy-Back.
[^] Deemed interested due to her shareholding held in PH Performance (M) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 and the shareholdings held by her spouse, namely Dato' Sri Lim Teck Boon, pursuant to Section 59(1)(c) of the Companies Act, 2016.

** Deemed interested due to her shareholding held in PH Performance (M) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

(b) Substantial Shareholders of Euro

No.	Substantial Shareholders	As at the LPD				After the Proposed Share Buy-Back Authority ^(a)			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Dato' Sri Lim Teck Boon	1,783,500	0.134	508,559,200 ^(b)	38.296	1,783,500	0.150	508,559,200 ^(b)	42.55
2.	Dato' Lim Chaw Teng	-	-	508,559,200 ^(b)	38.296	-	-	508,559,200 ^(b)	42.55
3.	S.P.A. Furniture (M) Sdn. Bhd.	508,559,200	38.296	-	-	508,559,200	42.55	-	-

Notes:

- (a) Assuming the maximum of 132,796,710 Shares are bought-back by the Company and cancelled pursuant to the Proposed Share Buy-Back.
(b) Deemed interested by virtue of his shareholding held in S. P. A. Furniture (M) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

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5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacities as the shareholders of the Company pursuant to the Proposed Share Buy-Back, none of the Directors or Major Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and resale of treasury shares, if any.

6. APPROVALS REQUIRED

The Proposed Share Buy-Back is conditional upon the approval of the shareholders of the Company, which will be obtained at the forthcoming 20th AGM to be convened.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Euro Shares traded on Bursa Securities for the past twelve (12) months from October 2023 to September 2024 are as follows:

	Highest RM	Lowest RM
2023		
October	0.070	0.085
November	0.090	0.075
December	0.095	0.075
2024		
January	0.090	0.070
February	0.075	0.065
March	0.070	0.045
April	0.055	0.050
May	0.090	0.050
June	0.110	0.070
July	0.085	0.075
August	0.095	0.055
September	0.085	0.060

The last transacted price of Euro Shares on LPD was RM0.055.
(Source: Yahoo! Finance)

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8. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Share Buy-Back is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of Euro vote in favour of the ordinary resolution for the Proposed Share Buy-Back to be tabled at the forthcoming 20th AGM.

9. 20th AGM

The Ordinary Resolution in respect of the Proposed Renewal of Shareholders' Mandate will be tabled at Special Business at the Company's forthcoming 20th AGM. The Circular is available at <http://www.euroholdings.com.my> together with the Annual Report 2024, Notice of 20th AGM, Proxy Form and the Administrative Guide for 20th AGM.

The 20th AGM of the Company will be conducted on a virtual basis through live streaming and Remote Participation and Voting ("RPV") Facilities from the online meeting platform at <https://web.vote2u.my> operated by Agmo Digital Solutions Sdn. Bhd. in Malaysia (Domain Registration Number with MYNIC D6A471702) on Tuesday, 17 December 2024, at 10.00 a.m. or any adjournment thereof.

If you are unable to attend and vote remotely via the remote participation and voting facilities provided at the AGM, you may appoint a proxy or proxies to attend and vote at the AGM on your behalf. If you wish to do so, you must complete and return the Proxy Form enclosed in the Annual Report 2024 in accordance with the instructions therein as soon as possible and in any event, so as to arrive at the office of the Company's Share Registrar situated at Uat B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur, at least forty-eight (48) hours prior to the scheduled meeting time. Completing and returning the Proxy Form will not prevent you from attending the meeting in person later and casting your vote if you decide to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
EURO HOLDINGS BERHAD

LT GEN (R) DATO' SRI SABRI BIN ADAM
Independent Non-Executive Chairman

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of Euro, who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, there are no material litigation, claims, and/or arbitrations, either as plaintiff or defendant, that have a material effect on Euro Group's financial position and the Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings that might materially and adversely affect Euro Group's business or financial position, except for the followings:-

- (a) **Kuala Lumpur Sessions Court (“Sessions Court”) Case No. WA-22NCC-137-03/2021 (previously known as 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 had been served with a Writ and Statement of Claim both dated 20 January 2021, by M South wherein M South alleged that M South had supplied goods to All Ways and EHB had guaranteed the payment for the goods supplied to All Ways. M South had claimed for, amongst others, a total principal sum of RM315,880.27, late payment interest of RM121,076.52 as at 31 December 2020 and interest on the principal sum at the rate of 1.5% per annum from 1 January 2021 until full settlement.

EHB had filed the Statement of Defence and Counterclaim on 1 March 2021 to counterclaim against M South for conspiracy to defraud and M South had filed the Reply to Defence and Counterclaim on 12 March 2021.

The matter has been consolidated with WA-22NCC-246-06/2020 and WA-22NCC-137-03/2021 (previously known as WA-B52NCC-41-01/2021) as disclosed in Note 3(b) respectively. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(b) Kuala Lumpur High Court (“High Court”) Case No. WA-22NCC-632-12/2020 (previously known as BAB52NCC-133-07/2020). ADY Marketing Sdn. Bhd. (“ADY”) v. All Ways Builder Sdn. Bhd. (“All Ways” or “1st Defendant”), Euro Holdings Berhad (“EHB” or “2nd Defendant”), Wong Kin Sing (“3rd Defendant”) and Chia Chiw Hoon (“4th Defendant”)

EHB had been served with a sealed Writ dated 1 July 2020 and a sealed amended Statement of Claim dated 6 July 2020 for, amongst others, a principal sum of RM493,634.03 and late payment interest of RM137,746.74 owing and accumulated by All Ways where EHB acts as guarantor for full repayment of the overdue debt owing by All Ways to ADY.

EHB had subsequently on 14 August 2020 filed the Statement of Defence and Counterclaim dated 14 August 2020, wherein EHB had counterclaimed against ADY for, inter alia, the following:

- (i) a declaration that ADY had conspired with the conspirators vide unlawful means to cheat and/or to deceive EHB which caused EHB to suffer losses.
- (ii) a declaration that ADY had conspired with the conspirators with the intention or purpose to injure and/ or affect EHB and/or to cause EHB to suffer losses; and
- (iii) damages to be assessed by the Court for the losses suffered by EHB based on conspiracy actions of ADY and the conspirators against EHB.

ADY had on 27 August 2020 filed the Reply and Defence to the Counterclaim dated 27 August 2020. ADY filed a Notice of Application for Summary Judgement against the Defendants on 27 August 2020 and the Application for Summary Judgement had been dismissed on 3 November 2020.

The matter has been consolidated with WA-22NCC-246-06/2020 and WA-22NCC-137-03/2021 (previously known as WA-B52NCC-41-01/2021) as disclosed in Note 3(a) respectively. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(c) Kuala Lumpur High Court Case No. WA-22NCC-246-06/2020 (Suit 246) ADY Marketing Sdn Bhd (“Plaintiff”) v Euroland & Development Sdn Bhd (“Euroland”) and Euro Holdings Berhad (“EHB”) (collectively “Defendants”)

EHB has been served with a sealed Writ dated 17 June 2020 and a sealed amended Statement of Claim dated 18 August 2020 for, amongst others, a principal sum of RM1,416,753.60 owing and accumulated by Euroland, where EHB acts as guarantor for full repayment of the overdue debt owing by Euroland to the Plaintiff. The Plaintiff has further claimed against Euroland for the remaining principal sum of

RM120,392.69 which exceeded the limit guaranteed by EHB together with the outstanding late payment interest of RM479,688.07 incurred.

EHB has subsequently on 3 September 2020 filed the amended Statement of Defence and Counterclaim dated 26 August 2020, wherein EHB has counterclaimed against the Plaintiff for, inter alia, the following:

- (1) a declaration that the Plaintiff has conspired with the conspirators vide unlawful means to cheat and/or to deceive EHB and Euroland which caused them to suffer losses; and
- (2) damages to be assessed by the Court for the losses suffered by EHB and Euroland based on the conspiracy actions of the Plaintiff and the conspirators against them.

The Plaintiff had on 1 September 2020 filed the Reply and Defence to Counterclaim dated 28 August 2020. The Plaintiff had also on 26 August 2020 filed a Notice of Application for Summary Judgement against the Defendants, but the said application was withdrawn on 15 October 2020. The Plaintiff has filed a Notice of Application to strike out EHB's and Euroland's counterclaims but the said application has been withdrawn.

The High Court had on 16 December 2020 granted an order to transfer this legal suit to be heard together with the legal suit set out in the above. Euroland has entered a consent judgment with the Plaintiff in November 2023 to settle all the outstanding sums despite the alleged conspiracy issue in the matter.

The trial for the matter has been completed. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(d) Kuala Lumpur High Court Case No. WA-22NCC-355-08/2021 consolidated and new case number under Kuala Lumpur High Court Case No. WA-22NCC-550-12/2021 (Suit 550). All Ways Builder Sdn Bhd ("Plaintiff") v Euroland Development Sdn Bhd ("Euroland") and Euro Holdings Berhad ("EHB") (collectively "Defendants")

EHB has been served with a Writ and Statement of Claim both dated 13 August 2021, by the Plaintiff for, amongst others, the Defendants to jointly and severally pay a sum of RM8,767,031.97 with interest to the Plaintiff as the outstanding sum owed by the Defendants as the Plaintiff claimed that it is the main contractor of Euroland for the Damai Vista Project and it has completed the Damai Vista Project with the "Conditional Certificate of Practical Completion".

EHB had on 6 October 2021 filed their Defence and Counterclaim against the Plaintiff, Chia Chiw Hoon, Wong Kin Sing, Choong Yuen Keong @ Tong Yuen Keong, Tong Yun Mong and Tong Kah Hoe to counterclaim for, amongst others, conspiring in causing

Euroland's and EHB's funds to be channelled out through the Damai Vista Project. The Plaintiff has then filed its Reply to Defence and Defence to the Counterclaim on 27 October 2021.

EHB has subsequently on 11 October 2021 filed a Notice of Application to strike out the Plaintiff's claim or alternatively, to transfer this legal suit to be heard together with the legal suit set out in the above. The application to transfer this legal suit was granted on 1 December 2021.

Euroland entered a consent judgment with the Plaintiff in November 2023 to settle all the outstanding sums despite the alleged conspiracy issue in the matter. The Plaintiff has adjourned bankrupt on 15.2.2024 after the Order for Winding-Up was entered against them by Ban Hee Metal Sdn.Bhd.

The trial for the matter has been completed. The next hearing date is fixed on 20 November 2024 for a Hearing of the After Trial Submission.

As the legal proceedings are still ongoing, the solicitors of the Group are of the opinion that the evidence produced are not favourable to the case and does not support the EHB case. There is a high chance that the Judgment will be entered against EHB. Hence, the possibility of an outflow in settlement is relatively uncertain.

(e) Malacca High Court Case No. MA-22NCC-22-10/2023 Surian Creations Sdn. Bhd. ("Surian") v Dato' Sri Lim Teck Boon ("DSLTB") and 26 Ors.

Euro Holdings Berhad ("EHB") and its subsidiaries, Eurosteel Line Sdn. Bhd. ("ESL"), Euro Space Industries (M) Sdn. Bhd. ("ESI") and Euro Space System Sdn. Bhd. ("ESS") had on 3 November 2023 received a Writ of Summons and Statement of Claim dated 30 October 2023 and 31 October 2023 respectively.

EHB, ESL, ESI and ESS have been named co-defendants by Surian in a claim that the companies had conspired with EHB's former director, DSLTB and the other defendants in the suit to create fictitious documents and/or transactions with the intention to injure Surian.

Surian had claimed against the defendants, including EHB, ESL, ESI and ESS, jointly and severally, as follows: -

- a) a sum of RM19,285,007.35;
- b) general damages to be assessed by the High Court;
- c) exemplary damages to be assessed by the High Court;
- d) aggravated damages to be assessed by the High Court;
- e) cost on a solicitor-client basis;
- f) interest above the sum of RM19,285,007.35 and any damages awarded by the High Court at the rate of 5% per annum from the date of the Writ of Summons until the date of full settlement thereof; and
- g) such further or other relief as the High Court deems fit and proper.

On 3 September 2024, the Malacca High Court had struck out the entire suit filed by Surian against EHB and its subsidiaries, ESL, ESI and ESS with costs.

On 24 September 2024, Surian had filed an appeal against the Malacca High Court's decision of 3 September 2024.

The board of directors are advised by EHB's solicitors that Surian's appeal has no merits.

3. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of Euro at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur, during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) The Constitution of Euro; and
- (ii) The audited consolidated financial statements of the Company for the FPE 30 June 2023 and for the financial year ended 30 June 2024.

APPENDIX II – EXTRACT OF THE ORDINARY RESOLUTION TO BE TABLED AT THE AGM OF EURO

Extract Notice of the 20th AGM of the Company to be conducted on a virtual basis through live streaming and Remote Participation and Voting (“RPV”) Facilities from the online meeting platform at <https://web.vote2u.my> operated by Agmo Digital Solutions Sdn. Bhd. in Malaysia (Domain Registration Number with MYNIC D6A471702) on Tuesday, 17 December 2024, at 10:00 a.m. or any adjournment thereof, for the purpose of considering and if thought, passing with the following resolutions:

ORDINARY RESOLUTION 7**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”)**

“THAT subject to the provisions of the Main Market Listing Requirements (“MMLR”) of Bursa Securities, approval be and is hereby given for the Proposed Renewal of Shareholders’ Mandate of the Company and/or its subsidiaries (“Euro Group”) to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the related parties as specified in the Circular to Shareholders dated 30 October 2024 provided that such transactions are:-

- a) Undertake in the ordinary course of business at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public;
- b) Necessary for the day-to-day operations; and
- c) Not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

- a) The conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM; or
- b) The expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c) Revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders’ Mandate.”

ORDINARY RESOLUTION 8

PROPOSED RENEWAL OF SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY AT ANY GIVEN POINT IN TIME (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)

“THAT subject to the Act, provisions of the Company’s Constitution, the MMLR of Bursa Securities and the approvals of all relevant regulatory authorities and parties, the Company be and is hereby authorised to purchase such number of ordinary shares in Euro on the Main Market of Bursa Securities and/ or hold from upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:-

- i) The aggregate number of ordinary shares in the Company purchased (“Purchased Share(s)”) and/or held as treasury shares pursuant to this ordinary resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time;
- ii) The maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the total retained earnings of the Company at the time of the purchase;

THAT upon purchase by the Company, the Board of Directors of Euro shall have the absolute discretion to decide whether such Purchased Shares are to be cancelled and/or retained as treasury shares, or dealt with in such manner as provided under Section 127(7) of the Act;

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

- i) the conclusion of the AGM of the Company at which time the authority shall lapse unless by an ordinary resolution passed at the AGM, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the AGM of the Company is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the Euro Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the Act, rules and regulations made pursuant to the Act, the MMLR and any requirements issued by any other relevant government and/or regulatory authorities;

AND THAT the Board be and is hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to give effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back.”