

**EURO HOLDINGS BERHAD**  
(Company No. 200401008055 (646559-T))  
(Incorporated in Malaysia)

**QUARTERLY REPORT**  
**FOR THE FIRST FINANCIAL QUARTER ENDED**  
**30 SEPTEMBER 2024**

**EURO HOLDINGS BERHAD**  
(Company No. 200401008055 (646559-T))  
(Incorporated in Malaysia)

**QUARTERLY REPORT**

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**EURO HOLDINGS BERHAD**

(Company No. 200401008055 (646559-T))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended <b>30/9/2024</b> <b>RM'000</b>	Corresponding Quarter Ended <b>30/9/2023</b> <b>RM'000</b>	Current Period Ended <b>30/9/2024</b> <b>RM'000</b>	Corresponding Period Ended <b>30/9/2023</b> <b>RM'000</b>
Revenue		14,980	25,286	14,980	25,286
Cost of sales		(14,266)	(30,591)	(14,266)	(30,591)
Gross profit/(loss)		<u>714</u>	<u>(5,305)</u>	<u>714</u>	<u>(5,305)</u>
Other operating income		217	166	217	166
Operating expenses		(3,161)	(857)	(3,161)	(857)
Finance cost		(261)	(1,379)	(261)	(1,379)
Loss before taxation	B4	<u>(2,491)</u>	<u>(7,375)</u>	<u>(2,491)</u>	<u>(7,375)</u>
Taxation	B6	(705)	(4)	(705)	(4)
Loss for the period		<u><u>(3,196)</u></u>	<u><u>(7,379)</u></u>	<u><u>(3,196)</u></u>	<u><u>(7,379)</u></u>
<b>Loss Attributable to:</b>					
Owners of the Company		(3,196)	(7,369)	(3,196)	(7,369)
Non-Controlling interest		-	(10)	-	(10)
		<u><u>(3,196)</u></u>	<u><u>(7,379)</u></u>	<u><u>(3,196)</u></u>	<u><u>(7,379)</u></u>
<b>Basic loss</b>					
<b>per ordinary share (sen)</b>	B11	<u>(0.24)</u>	<u>(0.57)</u>	<u>(0.24)</u>	<u>(0.57)</u>
<b>Diluted loss</b>					
<b>per ordinary share (sen)</b>	B11	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note :

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 June 2024.

**EURO HOLDINGS BERHAD**  
(Company No. 200401008055 (646559-T))  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024**

	Note	<b>As At 30/9/2024 RM'000</b>	<b>As At 30/06/2024 RM'000 (Audited)</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A12	57,572	50,862
Right-of-use assets		7,928	9,293
		65,500	60,155
<b>Current Assets</b>			
Inventories		35,663	34,859
Trade and other receivables		16,325	2,106
Amount due from a related party		1,055	1,055
Current tax assets		226	225
Fixed deposits with licensed banks		6	6
Cash and bank balances		678	632
		53,953	38,883
Assets classified as held for sale		-	17,300
<b>Total Assets</b>		<u>119,453</u>	<u>116,338</u>
<b>EQUITY</b>			
Share capital		95,508	95,508
Reserves		13,780	13,780
Accumulated losses		(40,933)	(37,737)
<b>Total equity</b>		<u>68,355</u>	<u>71,551</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Lease liabilities		5,172	5,172
Deferred tax liabilities		1,877	1,877
		7,049	7,049
<b>Current Liabilities</b>			
Trade and other payables		8,734	12,380
Contract liabilities		968	1,044
Amount due to a related parties		24,110	8,648
Amount due to directors		6	2,472
Loans and borrowings	B8	3,661	3,980
Lease liabilities		3,837	5,286
Current tax liabilities		2,733	2,721
		44,049	36,531
Liabilities classified as held for sale		-	1,207
<b>Total Liabilities</b>		<u>51,098</u>	<u>44,787</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>119,453</u>	<u>116,338</u>
Net Assets Per Share Attributable to Owners of the Company (RM)		<u>0.051</u>	<u>0.054</u>

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 June 2024.

**EURO HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

	-----Attributable to Owners of the Company-----					Total Equity RM '000
	<--Non-Distributable Reserves-->		Distributable Reserve			
	Share Capital RM '000	Revaluation Reserve RM '000	Accumulated Losses RM '000	Shareholders' equity attributable to the owners of the Company RM '000	Non-Controlling Interest RM '000	
<b>At 1 July 2023</b>	79,281	13,780	(18,060)	75,001	677	75,678
Loss for the period	-	-	(7,369)	(7,369)	(10)	(7,379)
Surplus on revaluation arising from freehold land and factory buildings	-	(44)	-	(44)	-	(44)
Total comprehensive loss for the period	-	(44)	(7,369)	(7,413)	(10)	(7,423)
Transaction with the owners:						
Issuance of share capital	14,331	-	-	14,331	-	14,331
<b>At 30 September 2023</b>	<b>93,612</b>	<b>13,736</b>	<b>(25,429)</b>	<b>81,919</b>	<b>667</b>	<b>82,586</b>
<b>At 1 July 2024</b>	95,508	13,780	(37,737)	71,551	-	71,551
Loss for the period	-	-	(3,196)	(3,196)	-	(3,196)
<b>At 30 September 2024</b>	<b>95,508</b>	<b>13,780</b>	<b>(40,933)</b>	<b>68,355</b>	<b>-</b>	<b>68,355</b>

Note :

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 June 2024.

**EURO HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

(The figures have not been audited)

	<b>Current Period Ended 30/9/2024 RM'000</b>	<b>Corresponding Period Ended 30/9/2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,491)	(7,375)
Adjustments for:		
Non-cash items	2,179	1,105
Non-operating items		832
<b>Operating loss before working capital changes</b>	<u>(312)</u>	<u>(5,438)</u>
<b>Changes in working capital:</b>		
Inventories	(804)	(1,397)
Trade and other receivables	5	13,911
Trade and other payables	1,675	741
<b>Cash generated from operations</b>	<u>564</u>	<u>7,817</u>
Tax paid, net of refunds	(519)	-
<b>Net cash generated from operating activities</b>	<u>45</u>	<u>7,817</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	3,075	-
<b>Net cash generated from investing activities</b>	3,075	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(261)	(351)
Repayment of lease liabilities	(1,287)	(654)
Proceeds from issuance of ordinary shares	-	14,331
Net repayment of loans and borrowings	(1,526)	(7,353)
<b>Net cash (used in)/generated from financing activities</b>	<u>(3,074)</u>	<u>5,973</u>
<b>Net increase in cash and cash equivalents</b>	<u>46</u>	<u>13,790</u>
<b>Cash and cash equivalents at beginning of the financial period</b>	632	(6,028)
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>678</u></u>	<u><u>7,762</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Bank overdraft	-	(9,051)
Cash and bank balances	678	16,813
Fixed deposit	6	2,404
	<u>684</u>	<u>10,166</u>
Less : Fixed deposit pledged to a bank for credit facilities	(6)	(2,404)
	<u><u>678</u></u>	<u><u>7,762</u></u>

Note :

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 June 2024.

**QUARTERLY REPORT  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

**NOTES TO THE FINANCIAL REPORT**

**A. EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 (INTERIM FINANCIAL REPORTING)**

**A1. Basis of Preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of Paragraph 9.22 of the Main Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting. The condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2024. The condensed consolidated interim financial statements and notes thereon however do not include all the information required for a full set of financial statements prepared in accordance with MFRSs and should be read in conjunction with the annual consolidated financial statements of the Company for the financial year ended 30 June 2024.

**A2. Significant Accounting Policies**

The significant accounting policies, methods of computation and basis of consolidation applied in the unaudited condensed consolidated interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2024.

**A3. Auditors’ Report**

The auditors' report on the financial statements for the financial year ended 30 June 2024 was not qualified.

**A4. Seasonal or Cyclical Factors**

The Group's operations were not materially affected by seasonal or cyclical factors during the financial period under review.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 30 September 2024.

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**A6. Material Changes in Estimates of Amounts Reported**

There were no material changes in accounting estimates that have a material effect in the current quarter under review and financial period to date.

**A7. Changes in Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities for the current quarter ended 30 September 2024.

**A8. Dividend Paid**

No dividends were paid by the Company in the current quarter ended 30 September 2024.

**A9. Segmental Reporting**

For the financial period ended 30 September 2024, the Group's financial information is analysed by operating segments as follows:

**Current Period Ended 30 September 2024**

	<b>Manufacturing</b>	<b>Trading</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
Local	-	14,980	-	-	14,980
Export	-	-	-	-	-
Total revenue	-	14,980	-	-	14,980
<b>Results</b>					
Segment results	-	(1,987)	(243)	-	(2,230)
Finance cost	-	(261)	-	-	(261)
Loss before taxation	-	(2,248)	(243)	-	(2,491)
Taxation	-	(705)	-	-	(705)
Loss for the financial period	-	(2,953)	(243)	-	(3,196)
Net Assets as at 30 September 2024	57,334	9,625	57,832	(56,436)	68,355



**A9. Segmental Reporting (cont'd)**

**Corresponding Period Ended 30 September 2023**

	<b>Manufacturing</b>	<b>Trading</b>	<b>Investment Holding</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
Local	25,286	-	-	-	25,286
Export	-	-	-	-	-
Total revenue	<u>25,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,286</u>
<b>Results</b>					
Segment results	(8,667)	-	(610)	3,281	(5,996)
Finance cost	(1,560)	-	(485)	666	(1,379)
Loss before taxation	(10,227)	-	(1,095)	3,947	(7,375)
Taxation	(4)	-	-	-	(4)
Net loss for the financial period	<u>(10,231)</u>	<u>-</u>	<u>(1,095)</u>	<u>3,947</u>	<u>(7,379)</u>
Net Assets as at 30 September 2023	<u>16,564</u>	<u>-</u>	<u>43,064</u>	<u>22,291</u>	<u>81,919</u>

**A10. Material Events Subsequent to the End of the Financial Period**

There were no significant events during the financial period and subsequent to the end of the interim period under review.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter and financial period under review.

**A12. Valuation of Property, Plant and Equipment**

Valuation of Property, Plant and Equipment for the Group has been brought forward without amendments from the financial statements for the financial year ended 30 June 2024.

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**A13. Contingent Liabilities and Contingent Assets**

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

	<b>Group As At 30/9/2024 RM'000</b>	<b>Company As At 30/9/2024 RM'000</b>
Corporate guarantees given to:		
- main contractor's suppliers for extension of credit	11,852	-
- licensed banks in respect of banking facilities held by subsidiaries	9,072	9,072
	20,924	9,072

**B. ADDITIONAL DISCLOSURES PURSUANT TO APPENDIX 9B, PART A OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current Quarter Ended <b>30/9/2024</b> <b>RM'000</b>	Corresponding Quarter Ended <b>30/9/2023</b> <b>RM'000</b>	Current Period Ended <b>30/9/2024</b> <b>RM'000</b>	Corresponding Period Ended <b>30/9/2023</b> <b>RM'000</b>
Revenue	14,980	25,286	14,980	25,286
Loss before taxation	(2,491)	(7,375)	(2,491)	(7,375)

The group's revenue for the 1st quarter ended 30 September 2024 ("1Q-2025") decreased significantly by RM10.3 million or 40.8%, to RM15.0 million compared to the corresponding preceding quarter ("1Q-2024") of RM25.3 million. Despite the decreased in revenue, the group achieved gross profit of RM0.7 million in contrast to gross loss of RM5.3 million recorded in 1Q-2024.

The revenue in 1Q-2024 is comprised of sales of steel related products and manufactured office furniture whereas 1Q-2025 sales were mainly trading.

The Group's loss before tax for the current quarter narrowed to RM2.5 million from RM7.4 million reported in the 1Q-2024, mainly due higher margin product mix, and substantial reduction in manufacturing cost.

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**B2. Comparison with Preceding Quarter's Results****Quarter ended 30 September 2024 vs 30 June 2024**

	<b>3 months ended 30 September 2024 RM'000</b>	<b>3 months ended 30 June 2024 RM'000</b>
Revenue	<u>14,980</u>	<u>5,464</u>
Loss before taxation	<u>(2,491)</u>	<u>(7,119)</u>

The group's revenue increased almost threefold from RM5.5 million in the previous quarter to RM15.0 million in the current quarter, mainly due to the significant increase in trading of steel products.

The group's loss before tax for the current quarter narrowed to RM2.5 million from RM7.1 million in the previous quarter, as a result of significantly higher revenue.

**B3. Profit Forecast and Profit Guarantee**

The Group has not provided any profit forecast or profit guarantee in a public document.

**B4. Notes to the Condensed Consolidated Income Statement**

Loss before taxation is arrived at after charging/(crediting) the following items:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current Quarter Ended <b>30/9/2024</b> <b>RM'000</b>	Corresponding Quarter Ended <b>30/9/2023</b> <b>RM'000</b>	Current Period Ended <b>30/9/2024</b> <b>RM'000</b>	Corresponding Period Ended <b>30/9/2023</b> <b>RM'000</b>
Interest income	-	(22)	-	(22)
Interest expense	261	1,378	261	1,378
Depreciation and amortisation	1,926	1,571	1,927	1,571
Foreign exchange loss	-	263	-	263
Rental income	(180)	-	(180)	-
Gain from termination of right-of-use assets	(8)	-	(8)	-

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**B5. Current year prospect**

The Board is hopeful to achieve a better performance for the group for the financial ending 30 June 2025 with the diversification into steel related products.

The Trading Division will be focusing on market growth within Asia and will explore the avenue to export overseas to increase revenue.

The strategic relocation of its manufacturing plant and warehouse from Rawang, State of Selangor to the State of Melaka will enable the management to better control the business operation and improve efficiency, while focusing on higher margin product mix.

**B6. Taxation**

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
Current Quarter Ended	Corresponding Quarter Ended	Current Period Ended	Corresponding Period Ended
30/9/2024	30/9/2023	30/9/2024	30/9/2023
RM'000	RM'000	RM'000	RM'000

**Tax expenses recognised in profit or loss**Income tax

- Current financial quarter/period	12	4	12	4
- Real property gain tax	693	-	693	-
	<u>705</u>	<u>4</u>	<u>705</u>	<u>4</u>

**B7. Status of Corporate Proposals**

There were no corporate proposals pending for completion as at the date of this report.

**B8. Loans and Borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

	<b>30/9/2024</b>	<b>30/6/2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
<u>Secured</u>		
Term loans	<u>3,661</u>	<u>3,980</u>

All borrowings of the Group are dominated in Ringgit Malaysia.

**B9. Dividend**

No dividend has been proposed or declared for the financial period ended 30 September 2024.

**B10. Derivative Financial Instruments**

There were no outstanding derivatives as at 30 September 2024.

**B11. Basic Earnings Per Share**

- i. Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period.

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	Current Quarter Ended	Corresponding Quarter Ended	Current Period Ended	Corresponding Period Ended
	<b>30/9/2024</b>	<b>30/9/2023</b>	<b>30/9/2024</b>	<b>30/9/2023</b>
Loss attributable to owners of the Company (RM'000)	(3,196)	(7,369)	(3,196)	(7,369)
Weighted average number of ordinary shares in issue (unit '000)	1,327,967	1,283,872	1,327,967	1,283,872
Basic loss per share (sen)	<u>(0.24)</u>	<u>(0.57)</u>	<u>(0.24)</u>	<u>(0.57)</u>

- ii. The Company has no dilution in its loss per ordinary shares as there were no potential dilutive ordinary shares outstanding as at 30 September 2024 and 30 September 2023 respectively. Accordingly, the diluted earnings per share were not presented.

**B12. Statement of the Board of Directors' Opinion**

Not applicable as the Group did not announce or publish any revenue or profit estimate, forecast, projection or internal target for the financial quarter.

**B13. Gain/Losses Arising from Fair Value Changes of Financial Liabilities**

There were no gains/losses arising from fair value changes of the financial liabilities for the current quarter ended 30 September 2024.

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**B14. Material Litigation**

- (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 counter claim 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 B14(b) respectively. The hearing date was fixed on 20 November 2024 for a Hearing of the After Trial Submission. However, the hearing date has been adjourned to 14 January 2025 by the Court.

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.

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**B14. Material Litigation (cont'd)**

- (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”) (cont'd)**

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 38(a) respectively. The hearing date was fixed on 20 November 2024 for a Hearing of the After Trial Submission. However, the hearing date has been adjourned to 14 January 2025 by the Court.

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. N/4-22NCC-246-06/2020 (Suit 246). ADY Marketing Sdn. Bhd. (“Plaintiff”) v. Euroland & Development Sdn. Bhd. (“ELD”) and Euro Holdings Berhad (“EHB”) (collectively “Defendants”)**

ELD and EHB have 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 ELD, where EHB acts as guarantor for full repayment of the overdue debt owing by ELD to ADY. ADY has further claimed against ELD for the remaining sum of RM120,329.69 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 Counter claim dated 26 August 2020, where EHB has counterclaimed against ADY for, inter alia, the followings:

- (i) a declaration that ADY has conspired with the conspirators vide unlawful means to cheat and/or to deceive EHB and ELD which caused them to suffer losses: and
- (ii) damages to be assessed by the Court for the losses suffered by EHB and ELD based on the conspiracy action of ADY 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 ELD’s counterclaims, but the said application has been withdrawn.

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**B14. Material Litigation (cont'd)**

- (c) **Kuala Lumpur High Court Case No. N/4-22NCC-246-06/2020 (Suit 246). ADY Marketing Sdn. Bhd. ("Plaintiff") v. Euroland & Development Sdn. Bhd. ("ELD") and Euro Holdings Berhad ("EHB") (collectively "Defendants") (cont'd)**

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. ELD 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 matter had been consolidated with WA-22NCC-137-03/2021 (previously known as WAB52NCC-41-01/2021) and WA-22NCC-632-12/2020 (previously known as BAB52NCC 13307/2020) as disclosed in Note 38(a) & 38(b) respectively. The trial for the matter has been completed. The hearing date was fixed on 20 November 2024 for a Hearing of the After Trial Submission. However, the hearing date has been adjourned to 14 January 2025 by the Court.

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 ("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. ("AWB") v. Euroland & Development Sdn. Bhd. ("ELD") and Euro Holdings Berhad ("EHB")**

ELD and EHB had been served with a Writ and Statement of Claim both dated 13 August 2021, by AWB for, amongst others, to jointly and severally pay a sum of RM8,767,031.97 with interest to AWB as the outstanding sum owed. AWB claimed that it is the main contractor of ELD for the project to be developed and it has completed the project with the "Conditional Certificate of Practical Completion"

ELD and EHB have on 6 October 2021 filed their Defence and Counterclaim against AWB, Chia Chiew 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 ELD and EHB funds to be channelled out through the project. AWB 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 Plaintiff in November 2023 to settle all the outstanding sums despite the alleged conspiracy issue in the matter. AWB has adjourned bankrupt on 15 February 2024 after the Order for Winding-Up was entered against them by Ban Hee Metal Sdn.Bhd.



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**B14. Material Litigation (cont'd)**

- (d) **Kuala Lumpur High Court (“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. (“AWB”) v. Euroland & Development Sdn. Bhd. (“ELD”) and Euro Holdings Berhad (“EHB”) (cont'd)**

The trial for the matter has been completed. The hearing date was fixed on 20 November 2024 for a Hearing of the After Trial Submission. However, the hearing date has been adjourned to 14 January 2025 by the Court.

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 Writ Summon No. MA-22 NCC-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:

- (i) a sum of RM19,285,007.35;
- (ii) general damages to be assessed by the High Court;
- (iii) exemplary damages to be assessed by the High Court;
- (iv) aggravated damages to be assessed by the High Court;
- (v) cost on a solicitor-client basis;
- (vi) 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
- (vii) 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.

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**B14. Material Litigation (cont'd)**

- (e) **Malacca High Court Writ Summon No. MA-22 NCC-22-10/2023. Surian Creations Sdn. Bhd. ("Surian") v. Dato'Sri Lim Teck Boon ("DSLTB") and 26 ors. (cont'd)**

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 legal counsel that Surian's appeal has no merits.

**B15. Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors on 25 November 2024.