

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

QUARTERLY REPORT
FOR THE SECOND FINANCIAL QUARTER ENDED
31 DECEMBER 2024

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

QUARTERLY REPORT

CONTENTS	PAGES
Condensed Consolidated Income Statements	1
Condensed Consolidated Statements of Financial Position	2
Condensed Consolidated Statements of Changes in Equity	3
Condensed Consolidated Cash Flow Statements	4
Notes to the Financial Report	5 - 16

EURO HOLDINGS BERHAD

(Company No. 200401008055 (646559-T))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2024**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 31/12/2024 RM'000	Corresponding Quarter Ended 31/12/2023 RM'000	Current Period Ended 31/12/2024 RM'000	Corresponding Period Ended 31/12/2023 RM'000
Revenue		33,739	39,440	48,719	64,726
Cost of sales		(32,731)	(40,044)	(46,997)	(69,877)
Gross profit/(loss)		<u>1,008</u>	<u>(604)</u>	<u>1,722</u>	<u>(5,151)</u>
Other operating income		207	168	424	334
Operating expenses		(3,794)	(1,482)	(6,955)	(2,339)
Finance cost		(216)	(914)	(477)	(2,293)
Loss before taxation	B4	<u>(2,795)</u>	<u>(2,832)</u>	<u>(5,286)</u>	<u>(9,449)</u>
Taxation	B6	(134)	6	(839)	6
Loss for the period		<u><u>(2,929)</u></u>	<u><u>(2,826)</u></u>	<u><u>(6,125)</u></u>	<u><u>(9,443)</u></u>
Loss Attributable to:					
Owners of the Company		(2,929)	(2,796)	(6,125)	(9,413)
Non-Controlling interest		-	(30)	-	(30)
		<u><u>(2,929)</u></u>	<u><u>(2,826)</u></u>	<u><u>(6,125)</u></u>	<u><u>(9,443)</u></u>
Basic loss					
per ordinary share (sen)	B11	<u>(0.22)</u>	<u>(0.22)</u>	<u>(0.46)</u>	<u>(0.73)</u>
Diluted loss					
per ordinary share (sen)	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))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	As At 31/12/2024 RM'000	As At 30/06/2024 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A12	58,824	50,862
Right-of-use assets		6,716	9,293
		65,540	60,155
Current Assets			
Inventories		42,892	34,859
Trade and other receivables		2,020	2,106
Amount due from a related party		-	1,055
Current tax assets		303	225
Fixed deposits with licensed banks		6	6
Cash and bank balances		2,884	632
		48,105	38,883
Assets classified as held for sale		-	17,300
Total Assets		<u>113,645</u>	<u>116,338</u>
EQUITY			
Share capital		95,508	95,508
Reserves		13,780	13,780
Accumulated losses		(43,862)	(37,737)
Total equity		<u>65,426</u>	<u>71,551</u>
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		2,861	5,172
Deferred tax liabilities		1,877	1,877
		4,738	7,049
Current Liabilities			
Trade and other payables		16,666	12,380
Contract liabilities		891	1,044
Amount due to a related parties		16,442	8,648
Amount due to directors		6	2,472
Loans and borrowings	B8	2,059	3,980
Lease liabilities		4,838	5,286
Current tax liabilities		2,579	2,721
		43,481	36,531
Liabilities classified as held for sale		-	1,207
Total Liabilities		<u>48,219</u>	<u>44,787</u>
TOTAL EQUITY AND LIABILITIES		<u>113,645</u>	<u>116,338</u>
Net Assets Per Share Attributable to Owners of the Company (RM)		<u>0.049</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
 (Company No. 200401008055 (646559-T))
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2024**

(The figures have not been audited)

	-----Attributable to Owners of the Company-----					
				Distributable		
	<--Non-Distributable Reserves-->			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	Total Equity RM '000
At 1 July 2023	79,281	13,780	(18,060)	75,001	677	75,678
Loss for the period	-	-	(9,413)	(9,413)	(30)	(9,443)
Transaction with the owners:						
Issuance of share capital	14,331	-	-	14,331	-	14,331
At 31 December 2023	<u>93,612</u>	<u>13,780</u>	<u>(27,473)</u>	<u>79,919</u>	<u>647</u>	<u>80,566</u>
At 1 July 2024	95,508	13,780	(37,737)	71,551	-	71,551
Loss for the period	-	-	(6,125)	(6,125)	-	(6,125)
At 31 December 2024	<u>95,508</u>	<u>13,780</u>	<u>(43,862)</u>	<u>65,426</u>	<u>-</u>	<u>65,426</u>

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

(Company No. 200401008055 (646559-T))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 2024**

(The figures have not been audited)

	Current Period Ended 31/12/2024 RM'000	Corresponding Period Ended 31/12/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,286)	(9,449)
Adjustments for:		
Non-cash items	4,389	2,727
Non-operating items	-	3,573
Operating loss before working capital changes	<u>(897)</u>	<u>(3,149)</u>
Changes in working capital:		
Inventories	(8,033)	4,628
Trade and other receivables	84	(10,742)
Trade and other payables	10,517	2,464
Cash generated from operations	<u>1,671</u>	<u>(6,799)</u>
Tax paid, net of refunds	<u>(1,058)</u>	<u>-</u>
Net cash generated from/(used in) operating activities	613	(6,799)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(9,457)	-
Proceeds from disposal of property, plant and equipment	17,300	-
Net cash generated from investing activities	7,843	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(477)	(350)
Repayment of lease liabilities	(2,599)	(1,789)
Proceeds from issuance of ordinary shares	-	14,331
Net repayment of loans and borrowings	(3,128)	(7,548)
Net cash (used in)/generated from financing activities	<u>(6,204)</u>	<u>4,644</u>
Net increase/(decrease) in cash and cash equivalents	<u>2,252</u>	<u>(2,155)</u>
Cash and cash equivalents at beginning of the financial period	632	(6,028)
Cash and cash equivalents at end of the financial period	<u><u>2,884</u></u>	<u><u>(8,183)</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Bank overdraft	-	(8,325)
Cash and bank balances	2,884	142
Fixed deposit	6	2,424
	<u>2,890</u>	<u>(5,759)</u>
Less : Fixed deposit pledged to a bank for credit facilities	(6)	(2,424)
	<u><u>2,884</u></u>	<u><u>(8,183)</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 SECOND FINANCIAL QUARTER ENDED 31 DECEMBER 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 31 December 2024.

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]

(Incorporated in Malaysia)

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 31 December 2024.

A8. Dividend Paid

No dividends were paid by the Company in the current quarter ended 31 December 2024.

A9. Segmental Reporting

For the financial period ended 31 December 2024, the Group's financial information is analysed by operating segments as follows:

Current Period Ended 31 December 2024

	Manufacturing	Trading	Investment Holding	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Local	-	48,719	-	-	48,719
Export	-	-	-	-	-
Total revenue	-	48,719	-	-	48,719
Results					
Segment results	-	(4,231)	(578)	-	(4,809)
Finance cost	-	(477)	-	-	(477)
Loss before taxation	-	(4,708)	(578)	-	(5,286)
Taxation	-	(839)	-	-	(839)
Loss for the financial period	-	(5,547)	(578)	-	(6,125)
Net Assets as at 31 December 2024	56,792	9,130	57,502	(57,998)	65,426

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]

(Incorporated in Malaysia)

A9. Segmental Reporting (cont'd)

	Corresponding Period Ended 31 December 2023				
	Manufacturing	Trading	Investment		Consolidated
			Elimination	Holding	
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Local	64,726	-	-	-	64,726
Export	-	-	-	-	-
Total revenue	<u>64,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,726</u>
Results					
Segment results	(12,212)	-	(944)	6,000	(7,156)
Finance cost	(3,012)	-	(990)	7,709	(2,293)
Loss before taxation	(15,224)	-	(1,934)	7,709	(9,449)
Taxation	6	-	-	-	6
Net loss for the financial period	<u>(15,218)</u>	<u>-</u>	<u>(1,934)</u>	<u>7,709</u>	<u>(9,443)</u>
Net Assets as at 31 December 2023	<u>14,233</u>	<u>-</u>	<u>43,235</u>	<u>22,290</u>	<u>79,758</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.

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]
(Incorporated in Malaysia)

A13. Contingent Liabilities and Contingent Assets

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

	Group As At 31/12/2024 RM'000	Company As At 31/12/2024 RM'000
Material Litigations:		
- Writ and Statement of Claims	11,852	-
Corporate guarantees given to:		
- licensed banks for banking facilities granted to subsidiaries	3,955	3,955
	15,807	3,955

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/12/2024 RM'000	Corresponding Quarter Ended 31/12/2023 RM'000	Current Period Ended 31/12/2024 RM'000	Corresponding Period Ended 31/12/2023 RM'000
Revenue	33,739	39,440	48,719	64,726
Loss before taxation	(2,795)	(2,832)	(5,286)	(9,449)

For the individual quarter ended 31 December 2024 (“2Q-2025”), the group’s revenue decreased to RM33.7 million, compared to RM39.4 million in the corresponding quarter of the previous year (“2Q-2024”), reflecting a decline of approximately 14.5%. Despite the drop in revenue, the group’s loss before taxation improved slightly, amounting to RM2.8 million in 2Q-2025, compared to a loss of RM2.8 million in 2Q-2024, showing a marginal reduction in losses.

For the cumulative 6-month period ended 31 December 2024, the group's revenue declined from RM64.7 million in the corresponding period of the previous year to RM48.7 million, a reduction of 24.7%. However, there was a notable improvement in the group's overall performance, with a reduction in the loss before taxation from RM9.4 million to RM5.3 million in the current period, primarily driven by a reduction in operational costs.

The decrease in revenue during both the individual and cumulative periods is attributed to weaker demand in the market for steel-related products.

B2. Comparison with Preceding Quarter's Results

Quarter ended 31 December 2024 vs 30 September 2024

	3 months ended 31 December 2024 RM'000	3 months ended 30 September 2024 RM'000
Revenue	<u>33,739</u>	<u>14,980</u>
Loss before taxation	<u>(2,795)</u>	<u>(2,491)</u>

For the quarter ended 31 December 2024, the group reported a significant increase in revenue to RM33.7 million, compared to RM15.0 million in the preceding quarter ended 30 September 2024. This marks a rise of 125.6%, indicating a strong recovery in sales during the current quarter.

However, despite the notable revenue growth, the group's loss before taxation widened slightly, increasing from RM2.5 million in the preceding quarter to RM2.8 million in the current quarter. The slight increase in losses was mainly due to higher operating costs, which offset the benefits of increased sales.

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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 31/12/2024 RM'000	Corresponding Quarter Ended 31/12/2023 RM'000	Current Period Ended 31/12/2024 RM'000	Corresponding Period Ended 31/12/2023 RM'000
Interest income	-	(22)	-	(44)
Interest expense	216	914	477	2,293
Depreciation and amortisation	1,993	1,657	3,920	3,228
Foreign exchange loss	-	2	-	265
Rental income	(180)	(144)	(360)	(288)
Gain from termination of right-of-use assets	-	-	(8)	-

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]
(Incorporated in Malaysia)

B5. Current year prospect

Despite the challenges, the group has managed to reduce its losses through effective cost management and operational efficiencies during the period. Moving forward, the group will focus on increasing revenue while continuing to improve its bottom line.

The Board remains cautiously hopeful that performance for the financial year ending 30 June 2025 will improve, focusing on cost control and operational efficiencies to enhance profitability.

The Trading Division will work on expanding market growth within Asia and explore opportunities for exporting overseas to increase revenue.

B6. Taxation

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
Current Quarter Ended	Corresponding Quarter Ended	Current Period Ended	Corresponding Period Ended
31/12/2024	31/12/2023	31/12/2024	31/12/2023
RM'000	RM'000	RM'000	RM'000

Tax expenses recognised in profit or lossIncome tax

- Current financial quarter/period	(11)	(6)	-	(6)
- Real property gain tax	145	-	839	-
	134	(6)	839	(6)

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:

	31/12/2024	30/6/2024
	RM'000	RM'000
Current		
<u>Secured</u>		
Term loans	<u>2,059</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 31 December 2024.

B10. Derivative Financial Instruments

There were no outstanding derivatives as at 31 December 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.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended	Corresponding Quarter Ended	Current Period Ended	Corresponding Period Ended
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Loss attributable to owners of the Company (RM'000)	(2,929)	(2,796)	(6,125)	(9,413)
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>(0.22)</u>	<u>(0.22)</u>	<u>(0.46)</u>	<u>(0.73)</u>

- ii. The Company has no dilution in its loss per ordinary shares as there were no potential dilutive ordinary shares outstanding as at 31 December 2024 and 31 December 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 31 December 2024.

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]

(Incorporated in Malaysia)

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. The hearing has been concluded, and a new case management will be fixed by the Court to fix the decision date.

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.

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]
(Incorporated in Malaysia)

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. The hearing has been concluded, and a new case management will be fixed by the Court to fix the decision date.

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.

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]
(Incorporated in Malaysia)

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. The hearing has been concluded, and a new case management will be fixed by the Court to fix the decision date.

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.

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]
(Incorporated in Malaysia)

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. The hearing has been concluded, and a new case management will be fixed by the Court to fix the decision date.

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 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 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.

EURO HOLDINGS BERHAD

Company No. 200401008055 (646559-T)]

(Incorporated in Malaysia)

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

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

On 6 January 2025, during the case management of Surian's appeal, the Court directed as follows:

- (i) the parties are to file their respective written submissions before 30 October 2025;
- (ii) the matter is fixed for case management on 30 October 2025 for the court to issue further directions (if any); and
- (iii) the matter is fixed for hearing on 13 November 2025 physically at the Court of Appeal.

The board of directors is 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 26 February 2025.