

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

QUARTERLY REPORT
FOR THE FOURTH FINANCIAL QUARTER ENDED
30 JUNE 2025

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 FOURTH FINANCIAL QUARTER ENDED 30 JUNE 2025**

(The figures have not been audited)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 30/6/2025 RM'000	Corresponding Quarter Ended 30/6/2024 RM'000	Current Year Ended 30/6/2025 RM'000	Corresponding Year Ended 30/6/2024 RM'000
Revenue		47,295	5,464	124,694	79,179
Cost of sales		(46,246)	(5,160)	(119,204)	(76,775)
Gross profit		<u>1,049</u>	<u>304</u>	<u>5,490</u>	<u>2,404</u>
Other operating income		377	3,419	824	3,319
Operating expenses		(3,079)	(11,461)	(12,965)	(19,788)
Finance cost		(144)	619	(776)	(1,955)
Loss before taxation	B4	<u>(1,797)</u>	<u>(7,119)</u>	<u>(7,427)</u>	<u>(16,020)</u>
Taxation	B6	(34)	(5,257)	562	(4,234)
Loss for the year		<u><u>(1,831)</u></u>	<u><u>(12,376)</u></u>	<u><u>(6,865)</u></u>	<u><u>(20,254)</u></u>
Loss Attributable to:					
Owners of the Company		(1,831)	(12,362)	(6,865)	(20,218)
Non-Controlling interest		-	(14)	-	(36)
		<u><u>(1,831)</u></u>	<u><u>(12,376)</u></u>	<u><u>(6,865)</u></u>	<u><u>(20,254)</u></u>
Basic loss					
per ordinary share (sen)	B11	<u>(0.14)</u>	<u>(0.93)</u>	<u>(0.52)</u>	<u>(1.52)</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 30 JUNE 2025

		As At 30/6/2025 RM'000	As At 30/6/2024 RM'000 (Audited)
ASSETS	Note		
Non-Current Assets			
Property, plant and equipment	A12	99,159	50,862
Right-of-use assets		4,487	9,293
		103,646	60,155
Current Assets			
Inventories		14,065	34,859
Trade and other receivables		33,362	2,106
Amount due from a related party		-	1,055
Current tax assets		356	225
Fixed deposits with licensed banks		-	6
Cash and bank balances		52	632
		47,835	38,883
Assets classified as held for sale		-	17,300
Total Assets		<u>151,481</u>	<u>116,338</u>
EQUITY			
Share capital		95,508	95,508
Reserves		37,760	13,780
Accumulated losses		(29,551)	(37,737)
Total equity		<u>103,717</u>	<u>71,551</u>
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		87	5,172
Deferred tax liabilities		4,802	1,877
		4,889	7,049
Current Liabilities			
Trade and other payables		3,949	12,380
Contract liabilities		373	1,044
Amount due to related parties		31,550	8,648
Amount due to directors		17	2,472
Loans and borrowings	B8	724	3,980
Lease liabilities		5,120	5,286
Current tax liabilities		1,142	2,721
		42,875	36,531
Liabilities classified as held for sale		-	1,207
Total Liabilities		<u>47,764</u>	<u>44,787</u>
TOTAL EQUITY AND LIABILITIES		<u>151,481</u>	<u>116,338</u>
Net Assets Per Share Attributable to Owners of the Company (RM)		<u>0.078</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 FOURTH FINANCIAL QUARTER ENDED 30 JUNE 2025**

(The figures have not been audited)

	<-----Attributable to Owners of the Company----->					
	<-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	Total Equity RM '000
At 1 July 2023	79,281	13,780	(18,060)	75,001	677	75,678
Loss for the financial year	-	-	(20,218)	(20,218)	(36)	(20,254)
Effect of increase in stake in a subsidiary	-	-	541	541	(641)	(100)
Transaction with the owners: Issuance of share capital	16,227	-	-	16,227	-	16,227
At 30 June 2024	95,508	13,780	(38,278)	71,551	-	71,551
At 1 July 2024	95,508	13,780	(37,737)	71,551	-	71,551
Loss for the financial year	-	-	(6,865)	(6,865)	-	(6,865)
Reversal of revaluation reserve on completion of disposal of revalued asset	-	(13,780)	13,780	-	-	-
Revaluation surplus on valuation of land and building	-	41,956	-	41,956	-	41,956
Reversal of deferred tax on completion of disposal of revalued asset	-	-	1,271	1,271	-	1,271
Deferred tax on revalued asset	-	(4,196)	-	(4,196)	-	(4,196)
At 30 June 2025	95,508	37,760	(29,551)	103,717	-	103,717

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 FOURTH FINANCIAL QUARTER ENDED 30 JUNE 2025**

(The figures have not been audited)

	Current Year Ended 30/6/2025 RM'000	Corresponding Year Ended 30/6/2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(7,427)	(16,020)
Adjustments for:		
Non-cash items	7,765	10,798
Non-operating items	716	3,609
Operating profit/(loss) before working capital changes	1,054	(1,613)
Changes in working capital:		
Inventories	20,794	(11,499)
Trade and other receivables	(31,026)	23,301
Trade and other payables	(9,102)	3,385
Cash (used in)/generated from operations	(18,280)	13,574
Tax paid, net of refunds	(1,148)	(881)
Net cash (used in)/generated from operating activities	(19,428)	12,693
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares from non-controlling interest	-	(100)
Acquisition of property, plant and equipment	(9,470)	(24,083)
Proceeds from disposal of other investments	-	55
Withdrawal of fixed deposits pledged with licensed bank	6	-
Proceeds from disposal of property, plant and equipment	17,357	2,398
Net cash generated from/(used in) investing activities	7,893	(21,730)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from director	-	635
Advance from related parties	21,502	6,723
Interest paid	(776)	(1,304)
Proceeds from issuance of ordinary shares	-	16,227
Proceeds from term loan	-	3,955
Repayment of lease liabilities	(5,251)	(4,404)
Repayment of term loans	(4,463)	(7,341)
Net cash generated from financing activities	11,012	14,491
Net (decrease)/increase in cash and cash equivalents	(523)	5,454
Effect of exchange rate changes on cash and cash equivalents	-	(1)
Cash and cash equivalents at beginning of the financial year	575	(6,028)
Cash and cash equivalents at end of the financial year	52	(575)
CASH AND CASH EQUIVALENTS COMPRISE:		
Bank overdraft	-	(1,207)
Cash and bank balances	52	632
Fixed deposit	-	6
	52	(569)
Less : Fixed deposit pledged	-	(6)
	52	(575)

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 FOURTH FINANCIAL QUARTER ENDED 30 JUNE 2025**

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 June 2025.

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 year 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 June 2025.

A8. Dividend Paid

No dividends were paid by the Company in the current quarter ended 30 June 2025.

A9. Segmental Reporting

For the financial year ended 30 June 2025, the Group's financial information is analysed by operating segments as follows:

Current Year Ended 30 June 2025					
	Manufacturing	Trading	Investment Holding	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Local	-	124,694	-	-	124,694
Export	-	-	-	-	-
Total revenue	-	124,694	-	-	124,694
Results					
Segment results	-	(5,096)	(1,555)	-	(6,651)
Finance cost	-	(776)	-	-	(776)
Loss before taxation	-	(5,872)	(1,555)	-	(7,427)
Taxation	-	572	(10)	-	562
Loss for the financial year	-	(5,300)	(1,565)	-	(6,865)
Net Assets as at 30 June 2025	54,505	10,698	56,510	(55,756)	65,957

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A9. Segmental Reporting (cont'd)

Corresponding Year Ended 30 June 2024					
	Investment				
	Manufacturing	Trading	Holding	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Local	47	79,192	-	(60)	79,179
Export	-	-	-	-	-
Total revenue	47	79,192	-	-	79,179
Results					
Segment results	(15,250)	(9,541)	(19,971)	30,697	(14,065)
Finance cost	-	(1,955)	-	-	(1,955)
Loss before taxation	(15,250)	(11,496)	(19,971)	30,697	(16,020)
Taxation	-	(3,858)	(376)	-	(4,234)
Loss for the financial year	(15,250)	(15,354)	(20,347)	30,697	(20,254)
Net Assets as at 30 June 2024	59,202	11,980	58,075	(57,706)	71,551

A10. Material Events During the Financial Year and Subsequent to the End of the Financial Year**(i) Proposed Acquisition**

Eurosteel Line Sdn Bhd ("ELSB"), a wholly-owned subsidiary of the Company, entered into a Conditional Sale and Purchase Agreement with Supreme Power Auto Sdn Bhd ("SPASB") on 6 March 2025.

The Proposed Acquisition entails the acquisition by ELSB, of a parcel of leasehold industrial land held under PN 65466, Lot 20111, Mukim of Cheng, District of Melaka Tengah, State of Melaka, together with 4 blocks of industrial buildings erected thereon from SPASB for a purchase consideration of RM56.00 million to be satisfied via a combination of cash of RM38.00 million and issuance of 400,000,000 new ordinary shares in the Company at an issue price of RM0.045 per share.

(ii) Proposed Debt Settlement

The Company and its subsidiaries, namely Euro Space Industries (M) Sdn Bhd, Euro Chairs Manufacturer (M) Sdn Bhd, Euro Space System Sdn Bhd and ELSB (collectively, the "**Borrowers**"), entered into a Settlement Agreement with Dato' Sri Lim Teck Boon, Imponotive Auto Sdn Bhd, SPASB and Supreme Power Performance (M) Sdn Bhd (collectively, the "**Lenders**") on 6 March 2025, to settle an agreed settlement sum of RM25,344,446 via the issuance of 563,209,911 Settlement Shares at an issue price of RM0.045 each.

A11. Changes in the Composition of the Group

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

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A12. Valuation of Property, Plant and Equipment

During the current quarter, the Group carried out a revaluation on its freehold land and building in accordance with the revaluation policy stated in the audited financial statements for the financial year ended 30 June 2024.

The revaluation resulted in an increase in the carrying amount of the freehold land and building, giving rise to a revaluation surplus of RM37,760,434 net of tax, which was recognised in Other Comprehensive Income and credited to Revaluation Reserve.

The valuation was performed by an independent professional and licensed valuer registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers, 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 30/6/2025 RM'000	Company As At 30/6/2025 RM'000
Material Litigations:		
- Writ and Statement of Claims	3,505	3,505
Corporate guarantees given to:		
- licensed banks for banking facilities granted to subsidiaries	3,955	3,955
	<u>7,460</u>	<u>7,460</u>

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 30/6/2025 RM'000	Corresponding Quarter Ended 30/6/2024 RM'000	Current Year Ended 30/6/2025 RM'000	Corresponding Year Ended 30/6/2024 RM'000
Revenue	47,295	5,464	124,694	79,179
Loss before taxation	(1,797)	(7,119)	(7,427)	(16,020)

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B1. Review of Performance (cont'd)Current Quarter (Q4-FY2025) vs Corresponding Quarter (Q4-FY2024)

For the fourth quarter ended 30 June 2025, the Group recorded a revenue of RM47.30 million, representing a significant increase of RM41.87 million, or approximately 7.7 times, compared to RM5.46 million reported in the corresponding quarter of the previous financial year.

The surge in revenue was primarily driven by the disposal of existing inventories. However, due to the nature of the product mix and pricing strategy adopted, sales were made at lower margins, resulting in a decline in the Group's gross profit margin to 2.2%, compared to 5.6% in Q4 FY2024.

The Group reported a loss before taxation of RM1.80 million for the quarter, a substantial improvement from the pre-tax loss of RM7.12 million recorded in the same period last year. The narrowed loss was mainly attributed to the higher revenue achieved, coupled with the absence of bad debt write-offs and impairment losses that negatively impacted the previous year's results.

Financial Year 2025 vs Financial Year 2024

For the financial year ended 30 June 2025, the Group registered revenue of RM124.69 million, an increase of RM45.51 million or approximately 57.5% from RM79.18 million in the previous financial year. This improvement was largely supported by the progressive reduction of inventory levels, contributing to stronger sales performance.

In tandem with the revenue growth, the Group successfully reduced its loss before taxation to RM7.43 million in FY2025, compared to a loss before taxation of RM16.02 million in FY2024. The improved financial performance was mainly driven by higher revenue, lower finance costs, and reduced operating expenses during the financial year under review.

B2. Comparison with Preceding Quarter's ResultsQuarter ended 30 June 2025 vs 31 March 2025

	3 months ended 30 June 2025 RM'000	3 months ended 31 March 2025 RM'000
Revenue	<u>47,295</u>	<u>28,633</u>
Loss before taxation	<u>(1,797)</u>	<u>(344)</u>

The Group achieved revenue of RM47.30 million for the quarter ended 30 June 2025, marking an increase of RM18.66 million or 65.18% compared to RM28.63 million in the preceding quarter. This growth was primarily driven by a higher sales volume from existing inventories.

However, despite the revenue growth, the Group's loss before taxation widened to RM1.80 million, up from RM0.34 million in the previous quarter. This was mainly due to the sale of products with lower gross profit margins, which negatively impacted overall profitability.

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 30/6/2025 RM'000	Corresponding Quarter Ended 30/6/2024 RM'000	Current Year Ended 30/6/2025 RM'000	Corresponding Year Ended 30/6/2024 RM'000
Interest income	-	(3)	-	(35)
Interest expense	144	(619)	776	1,955
Forfeiture of deposits received	(2)	(255)	(2)	(255)
Gain from termination of right-of-use assets	(29)	-	(45)	-
Gain on disposal of property, plant and equipment	(57)	-	(57)	-
Gain on disposal of other investment	-	(55)	-	(55)
Lease income	-	(147)	(360)	(588)
Reversal of impairment loss on trade receivables	(199)	(2,249)	(199)	(2,249)
Bad debts written off	-	2,311	-	2,311
Depreciation and amortisation	2,049	1,366	7,995	9,977
Property, plant and equipment written off	42	-	42	-
Impairment loss on trade receivables	-	43	-	43
Impairment loss on slow-moving inventories	-	1,098	-	1,098
Impairment loss on property plant and equipment	-	2,335	-	2,335

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B5. Prospects

For the financial year ended 30 June 2025, the Group delivered a resilient performance despite a challenging operating environment. Moving forward, the Group will continue to focus on mitigating risks through diversification and improving operational efficiency to drive sustainable performance.

The Trading Division will prioritize expanding into new markets, particularly within the Asia region, with the goal of growing its customer base and reduce reliance on the domestic market.

The revaluation of land and building during the current quarter has strengthened the Group's financial position and improved its gearing, providing greater flexibility to support future funding requirements.

The Board remains cautiously optimistic about the outlook for the financial year ending 30 June 2026. With prudent management and a sustained focus on business improvement, the Group is confident it will be well-positioned to gradually strengthen its financial performance in the year ahead.

B6. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter Ended 30/6/2025 RM'000	Corresponding Quarter Ended 30/6/2024 RM'000	Current Year Ended 30/6/2025 RM'000	Corresponding Year Ended 30/6/2024 RM'000
Tax expenses recognised in profit or loss				
<u>Income tax</u>				
- Current	30	2,629	200	2,629
- Under/(Over) provision in prior year	4	1,608	(2,398)	585
	34	4,237	(2,198)	3,214
<u>Real property gain tax</u>				
- Current	-	414	693	414
- Underprovision in prior year	-	-	943	-
	-	414	1,636	414
<u>Deferred tax</u>				
- Current	-	(565)	-	(565)
- Underprovision in prior year	-	1,171	-	1,171
	-	606	-	606
Total taxation	34	5,257	(562)	4,234

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B7. Status of Corporate Proposals

The status of Corporate Proposals announced but not completed for the current financial year under review are as follows:

On 6 March 2025, TA Securities Holdings Berhad, on behalf of the Board of Directors of the Company, announced the following proposals:

- (i) proposed acquisition by Eurosteel Line Sdn Bhd (“**ELSB**”), a wholly-owned subsidiary of the Company, of a parcel of leasehold industrial land held under PN 65466, Lot 20111, Mukim of Cheng, District of Melaka Tengah, State of Melaka, together with 4 blocks of industrial buildings erected thereon (“**Subject Property**”) from Supreme Power Auto Sdn Bhd (“**SPASB**” or the “**Vendor**”) for a purchase consideration of RM56.00 million to be satisfied via a combination of cash of RM38.00 million and issuance of 400,000,000 new ordinary shares in the Company (“**Consideration Shares**”) at an issue price of RM0.045 per Consideration Share (“**Proposed Acquisition**”);
- (ii) proposed settlement of debts owing to Dato’ Sri Lim Teck Boon (“**Dato’ Sri Lim**”), Imponotive Auto Sdn Bhd (“**IASB**”), SPASB and Supreme Power Performance (M) Sdn Bhd (“**SPPSB**”) (collectively, the “**Lenders**”) amounting to RM25,344,446 (“**Debts**”) to be satisfied entirely via the issuance of 563,209,911 new Shares (“**Settlement Shares**”) at an issue price of RM0.045 per Settlement Share (“**Proposed Debt Settlement**”);
- (iii) proposed private placement of up to 331,991,700 new Shares (“**Placement Shares**”), representing up to 25% of the total number of issued Shares (excluding treasury shares, if any) at an issue price to be determined later (“**Proposed Private Placement**”);
- (iv) proposed renounceable rights issue of up to 2,623,168,711 new Shares (“**Rights Shares**”) on the basis of 1 Rights Share for every 1 existing Share held on an entitlement date (“**Entitlement Date**”) and at an issue price to be determined later (“**Proposed Rights Issue**”);
- (v) proposed exemption to Dato’ Sri Lim and the persons acting in concert (“**PACs**”) with him from the obligation to undertake a mandatory take-over offer for the remaining Shares not already owned by them (“**Mandatory Offer**”) upon completion of the Proposed Acquisition pursuant to subparagraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC (“**Rules**”) (“**Proposed Exemption 1**”);
- (vi) proposed exemption to Dato’ Sri Lim and his PACs from the obligation to undertake a Mandatory Offer upon completion of the Proposed Debt Settlement pursuant to subparagraph 4.08(1)(b) of the Rules (“**Proposed Exemption 2**”); and
- (vii) proposed exemption to Dato’ Sri Lim and his PACs from the obligation to undertake a Mandatory Offer upon completion of the Proposed Rights Issue pursuant to subparagraph 4.08(1)(b) of the Rules (“**Proposed Exemption 3**”).

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B7. Status of Corporate Proposals (cont'd)

The Proposed Exemption 1, Proposed Exemption 2 and Proposed Exemption 3 are collectively referred to as the “**Proposed Exemptions**”.

The Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement, Proposed Rights Issue, and the Proposed Exemptions are collectively referred to as the “**Proposals**”.

The additional listing application in relation to the Proposed Acquisition, Proposed Debt Settlement, Proposed Private Placement and Proposed Rights Issue (including a draft circular to shareholders of the Company in relation to the Proposals (“**Circular**”)) has been submitted to Bursa Malaysia Securities Berhad on 5 May 2025.

TA Securities, acting as the Principal Adviser for the Proposals, has submitted the draft Circular to the Securities Commission Malaysia (“**SC**”) on behalf of the Company for the SC’s comments on the contents related to the Proposed Exemptions.

B8. Loans and Borrowings

The Group’s borrowings as at the end of the reporting quarter are as follow:

	30/6/2025	30/6/2024
	RM’000	RM’000
Current		
<u>Secured</u>		
Term loans	<u>724</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 year ended 30 June 2025.

B10. Derivative Financial Instruments

There were no outstanding derivatives as at 30 June 2025.

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 30/6/2025	Corresponding Quarter Ended 30/6/2024	Current Year Ended 30/6/2025	Corresponding Year Ended 30/6/2024
Loss attributable to owners of the Company (RM'000)	(1,831)	(12,362)	(6,865)	(20,218)
Weighted average number of ordinary shares in issue (unit '000)	1,327,967	1,327,967	1,327,967	1,327,967
Basic loss per share (sen)	(0.14)	(0.93)	(0.52)	(1.52)

- ii. The Company has no dilution in its loss per ordinary shares as there were no potential dilutive ordinary shares outstanding as at 30 June 2025 and 30 June 2024 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 June 2025.

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B14. Material Litigation

- (a) **Kuala Lumpur High 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.

On 1 March 2021, EHB filed the Statement of Defence and Counterclaim, in which it counterclaimed against M South for conspiracy to defraud.

The case has been consolidated with WA-22NCC-632-12/2020 and WA-22NCC-246-06/2020 as disclosed in Note B14(b) and Note B14(c) respectively.

The hearing has concluded, and the decision date was fixed on 4 June 2025. Based on the oral judgment delivered by the learned High Court Judge:

- (i) M South’s claim was allowed while EHB’s counterclaim was dismissed with cost of RM65,000 awarded; and
- (ii) In the counterclaim by Choong Yuen Keong @ Tong Yuen Keong and Tong Yun Mong against EHB, only prayer (A) was allowed, namely a declaration the 2nd and 3rd Defendants in the Counterclaim are not responsible or accountable to EHB and Euroland & Development Sdn Bhd.

As of the date of this report, the Official Written Judgement has not yet been issued by the High Court.

On 30 June 2025, EHB filed a Notice of Appeal to the Court of Appeal against the decision of the High Court delivered on 4 June 2025. The appeal is currently pending case management at the Court of Appeal, and the legal team will proceed to file the Memorandum of Appeal and Record of Appeal in due course upon receiving the relevant documents and written judgment.

Based on the oral judgment delivered by the learned High Court Judge, the solicitor in charge is of the view that there may be insufficient grounds to support a successful appeal before the Court of Appeal. However, a conclusive opinion on the merits of the appeal can only be formed upon receipt and careful review of the written grounds of judgment.

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B14. Material Litigation (cont'd)

- (b) **Kuala Lumpur 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.

Subsequently, on 14 August 2020, EHB filed the Statement of Defence and Counterclaim, in which it 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.

On 27 August 2020, ADY filed its Reply and Defence to the Counterclaim, as well as a Notice of Application for Summary Judgment against the Defendants. The Application for Summary Judgment was subsequently dismissed on 3 November 2020.

The case has been consolidated with WA-22NCC-137-03/2021 and WA-22NCC-246-06/2020 as disclosed in Note B14(a) and Note B14(c) respectively.

The hearing has concluded, and the decision date was fixed on 4 June 2025. Based on the oral judgment delivered by the learned High Court Judge:

- (i) ADY’s claim was allowed while EHB’s counterclaim was dismissed, with cost of RM65,000 awarded;
- (ii) Wong Kin Sing's third-party claim against EHB was dismissed with the cost of RM10,000.00 awarded; and
- (iii) in the counterclaim by Choong Yuen Keong @ Tong Yuen Keong and Tong Yun Mong against EHB, only prayer (A) was allowed, namely a declaration the 2nd and 3rd Defendants in the Counterclaim are not responsible or accountable to EHB and Euroland & Development Sdn Bhd.

As of the date of this report, the Official Written Judgement has not yet been issued by the High Court.

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B14. Material Litigation (cont'd)

- (b) **Kuala Lumpur 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)**

On 30 June 2025, EHB filed a Notice of Appeal to the Court of Appeal against the decision of the High Court delivered on 4 June 2025. The appeal is currently pending case management at the Court of Appeal, and the legal team will proceed to file the Memorandum of Appeal and Record of Appeal in due course upon receiving the relevant documents and written judgment.

Based on the oral judgment delivered by the learned High Court Judge, the solicitor in charge is of the view that there may be insufficient grounds to support a successful appeal before the Court of Appeal. However, a conclusive opinion on the merits of the appeal can only be formed upon receipt and careful review of the written grounds of judgment.

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

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.

Subsequently, on 3 September 2020, EHB filed the Amended Statement of Defence and Counterclaim dated 26 August 2020, in which it counterclaimed against ADY for, inter alia, the following:

- (i) a declaration that ADY has conspired with the conspirators vide unlawful means to cheat and/or to deceive EHB and ELD causing financial 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.

On 16 December 2020, the High Court granted an order to transfer this legal suit to be heard together with the legal suits set out above. In November 2023, ELD entered into a consent judgment with the Plaintiff to settle all the outstanding sums, despite the alleged conspiracy issue raised by EHB.

The case has been consolidated with WA-22NCC-137-03/2021 and WA-22NCC-632-12/2020 as disclosed in Note B14(a) & Note B14(b) respectively.

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B14. Material Litigation (cont'd)

- (c) **Kuala Lumpur High Court Case No. WA-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 hearing has concluded, and the decision date was fixed on 4 June 2025. Based on the oral judgment delivered by the learned High Court Judge:

- (i) ADY's claim was allowed while EHB's counterclaim was dismissed, with cost of RM65,000 awarded; and
- (ii) in the counterclaim by Choong Yuen Keong @ Tong Yuen Keong and Tong Yun Mong against EHB, only prayer (A) was allowed, namely a declaration the 2nd and 3rd Defendants in the Counterclaim are not responsible or accountable to EHB and Euroland & Development Sdn Bhd.

As of the date of this report, the Official Written Judgement has not yet been issued by the High Court.

On 30 June 2025, EHB filed a Notice of Appeal to the Court of Appeal against the decision of the High Court delivered on 4 June 2025. The appeal is currently pending case management at the Court of Appeal, and the legal team will proceed to file the Memorandum of Appeal and Record of Appeal in due course upon receiving the relevant documents and written judgment.

Based on the oral judgment delivered by the learned High Court Judge, the solicitor in charge is of the view that there may be insufficient grounds to support a successful appeal before the Court of Appeal. However, a conclusive opinion on the merits of the appeal can only be formed upon receipt and careful review of the written grounds of judgment.

- (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. ("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"

On 6 October 2021, ELD and EHB filed their Defence and Counterclaim against AWB, 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 ELD and EHB funds to be channelled out through the project.

On 11 October 2021, EHB 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 suits set out above. The application for transfer was granted on 1 December 2021.

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B14. Material Litigation (cont'd)

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

In November 2023, ELD entered into a consent judgment with the Plaintiff to settle all the outstanding sums, despite the alleged conspiracy issue raised by EHB. Separately, AWB was adjudged bankrupt on 15 February 2024, following the issuance of a Winding-Up Order obtained by Ban Hee Metal Sdn. Bhd.

The hearing has concluded, and the decision date was fixed on 4 June 2025. Based on the oral judgment delivered by the learned High Court Judge:

- (i) the Official Receiver of AWB withdrew the main suit and EHBs' counterclaim was dismissed with cost of RM55,000 awarded; and
- (ii) in the counterclaim by Choong Yuen Keong @ Tong Yuen Keong and Tong Yun Mong against EHB, only prayer (A) was allowed, namely a declaration the 2nd and 3rd Defendants in the Counterclaim are not responsible or accountable to EHB and Euroland & Development Sdn Bhd.

As of the date of this report, the Official Written Judgement has not yet been issued by the High Court.

On 30 June 2025, EHB filed a Notice of Appeal to the Court of Appeal against the decision of the High Court delivered on 4 June 2025. The appeal is currently pending case management at the Court of Appeal, and the legal team will proceed to file the Memorandum of Appeal and Record of Appeal in due course upon receiving the relevant documents and written judgment.

Based on the oral judgment delivered by the learned High Court Judge, the solicitor in charge is of the view that there may be insufficient grounds to support a successful appeal before the Court of Appeal. However, a conclusive opinion on the merits of the appeal can only be formed upon receipt and careful review of the written grounds of judgment.

- (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.**

On 3 November 2023, 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") 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.

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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)

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.

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 of RM2,500.

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 has been advised by EHB's legal counsel that Surian's appeal has no merit.

B15. Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors on 28 August 2025.