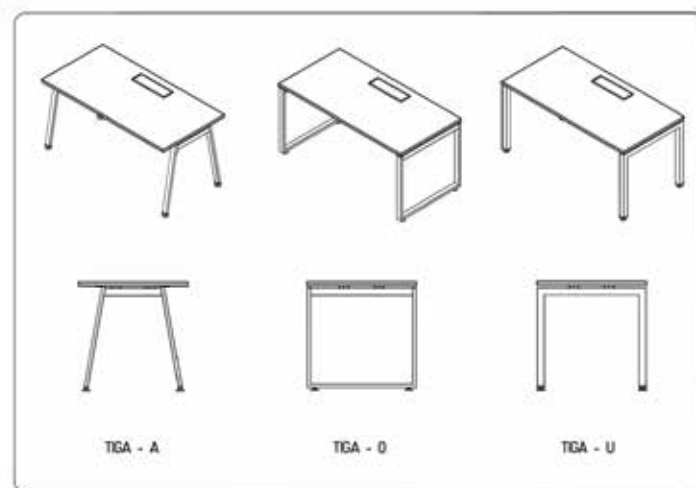


TIGA

a flexible solution with universal design base.



EURO Holdings Berhad
[200401008055 (646559-T)]

MENARA EURO
LOT 20111, JALAN TTC12
KAWASAN PERINDUSTRIAN CHENG
MUKIM CHENG, DAERAH MELAKA TENGAH
75250 MELAKA

TEL : (606) 337 6666

EMAIL : CORPORATE@EUROCHAIRS.COM

WEBSITE : WWW.EUROHOLDINGS.COM.MY

EURO HOLDINGS BERHAD [200401008055 (646559-T)]

ANNUAL REPORT 2025

ANNUAL REPORT



INSPIRATION
AT WORK



CORE VALUES

Quality :

Knowing that in our business, no service or care for our customers is of value if our product is not of top quality.

Service :

Believing that the close of every sale should open the door to the next, which comes from providing great service along with our products.

Partnership :

We are not mere salespeople peddling products; we strive to understand our customers' businesses thoroughly to provide solutions, not just products.



PHILOSOPHY

At the heart of EURO's journey lies a shared philosophy that unites both its employees and partners. This guiding belief encourages everyone within the organization to stay focused on common goals, work collaboratively, and strive to turn aspirations into reality. It reflects EURO's commitment to collective success and continuous growth.



VISION

EURO envisions becoming a strategic business partner to its customers—helping them create workspaces that inspire productivity, innovation, and success. This vision is encapsulated in the Group's enduring belief:
"Inspiration at work"

WELCOME TO EURO HOLDINGS

A Mission We Strive To Accomplish Everyday

EURO's mission is built on a simple yet powerful principle: to understand the customer's business. By truly comprehending the unique needs and goals of its clients, we aim to deliver genuine customer satisfaction through tailored solutions. This mission has guided the Group since its humble beginnings, shaping its evolution into a brand name "**EURO**", forming meaningful partnerships grounded in mutual understanding and trust.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Datin Sri Ong Lely
Group Managing Director

Datuk Lim Sze Way
Group Deputy Managing Director

Yong Teck Wee
Executive Director

Tan Poh Ling
Non-Independent Non-Executive Director

Chua Yeow Fatt
Independent Non-Executive Director

Datuk Haji Azmi bin Hussain
Independent Non-Executive Director

Yip Kit Weng
Independent Non-Executive Director

AUDIT COMMITTEE

Chua Yeow Fatt - Chairman
Datuk Haji Azmi bin Hussain - Member
Yip Kit Weng - Member

NOMINATION AND REMUNERATION COMMITTEE

Datuk Haji Azmi Bin Hussain – Chairman
Yip Kit Weng - Member
Chua Yeow Fatt – Member

RISK MANAGEMENT & ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Yip Kit Weng – Chairman
Datuk Haji Azmi Bin Hussain
Chua Yeow Fatt

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482/SSM PC NO. 202208000250)
Thien Lee Mee
(LS0010621/SSM PC No. 201908002254)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur, Wilayah Persekutuan
Tel : (603) 9770 2200
Fax : (603) 2201 7774
Email : boardroom@boardroom.com.my

HEAD OFFICE

Menara Euro
Lot 20111, Jalan TTC12
Kawasan Perindustrian Cheng
Mukim Cheng, Daerah Melaka Tengah
75250 Melaka
Tel : (606) 337 6666
Email : corporate@eurochairs.com
Website : www.euroholdings.com.my

AUDITORS

KRESTON JOHN & GAN
(AF0113)
Unit B-10-8, Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : (603) 2381 2828
Email : assurance@kreston.com.my

SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur, Wilayah Persekutuan
Tel : (603) 9770 2200
Fax : (603) 2201 7774
Email : admin@aldpro.com.my

PRINCIPAL BANKERS

CIMB Bank Berhad
AmBank (M) Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : EURO
Stock Code : 7208

CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT



Lt Gen (R) Dato' Sri Sabri bin Adam

Navigating Through Change

FYE2025 was a transformative year for the Group. Amidst an evolving business environment and continued global economic uncertainties, Euro remained focused on stabilising its operations, enhancing its financial position, and laying the groundwork for long-term growth.

During the year, the Group successfully relocated its manufacturing operations from Rawang, Selangor to a new facility in Melaka. This move represents more than a geographic shift — it is a strategic decision to realign our business operations for greater efficiency, cost effectiveness, and scalability.

We also made significant progress in diversifying our business into the trading of steel-related products. While our core business remains in the manufacturing and trading of office furniture, the entry into the steel trading segment has opened new revenue streams and broadened our market reach. The early signs are encouraging, and we remain cautiously optimistic about the long-term potential of this strategic shift.

Financial Performance

Despite a challenging economic backdrop, the Group recorded revenue of RM115.1 million in FYE2025, representing a 45.3% increase from RM79.2 million in FYE2024. This growth was largely driven by improved sales performance following inventory reductions and contributions from the steel-related trading segment.

The Group also recorded a significantly narrower net loss of RM4.2 million as compared to RM20.7 million in the previous year. This improvement reflects not only stronger revenue, but also reduced operating expenses, lower finance costs, and a tax credit arising from prior year adjustments.

Dear Valued Shareholders:

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Euro Holdings Berhad ("Euro" or "the Group") for the financial year ended 30 June 2025 (FYE2025).

Our financial position has also been strengthened through the revaluation of land and buildings, which resulted in a revaluation surplus and an improvement in our gearing ratio — providing us with greater flexibility to support future growth.

Strategic Outlook

Looking ahead, the Group will continue to focus on its core business segments while pursuing new growth opportunities. Our Trading Division is actively exploring new markets within Asia and beyond, and we are leveraging digital platforms to reach wider customer bases, particularly in the furniture segment.

We are also mindful of global challenges such as rising raw material costs and supply chain disruptions. Our strategy remains grounded in prudent cost management, operational optimisation, and innovation — including plans to invest in product development and digital systems to improve competitiveness.

In addition, the Board is working closely with our advisers to finalise the corporate proposals announced on 6 March 2025, which are intended to improve the Group's capital structure and support long-term sustainability. We are confident that these initiatives, once implemented, will contribute positively to the Group's performance in the years ahead.

Appreciation

On behalf of the Board, I would like to express our sincere appreciation to our management team and employees for their dedication and hard work during a year of transition. I would also like to thank our valued shareholders, customers, business partners, and regulatory authorities for their continued trust and support.

We remain committed to rebuilding value for all stakeholders and steering Euro Holdings Berhad towards a more resilient and profitable future.

Thank you.

Yours faithfully,
Lt Gen (R) Dato' Sri Sabri bin Adam
Chairman
Euro Holdings Berhad

DIRECTORS' PROFILES

LT GEN (R) DATO' SRI SABRI BIN ADAM

Independent and Non-Executive Chairman

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Lt Gen (R) Dato' Sri Sabri bin Adam ("DSSA") joined the Board of Directors on 25 February 2022 and was appointed as the Independent and Non-Executive Chairman of EURO.

DSSA is a graduate of Defence and Strategic Studies from the Chinese People's Liberation Army National Defence University. He also holds a Master of Art Degree in Defence Studies from the National University of Malaysia. In recognition for his outstanding service to the country, DSSA was conferred the Sri Sultan Ahmad Shah Pahang ("SSAP") which carries the title Dato' Sri as well as a few other Awards from His Royal Highness the King of Malaysia.

DSSA joined the Malaysian Armed Forces as an Officer Cadet on 27 May 1975 and was commissioned into the Royal Malaysian Air Force as a Second Lieutenant on 11 November 1975.

Throughout his service career, DSSA has held various appointments at the units, Formation HQ, Air Force HQ as well as the Armed Forces HQ. DSSA had served as Flight Commander at the operational flying squadron, Assistant Defence Attache in Ankara, Turkey, Assistant Chief of Staff Operations (J3) at the Malaysian Armed Forces Joint Force Headquarters as well as the Assistant Chief of Staff Defence Planning (J5) at the Malaysian Armed Forces Headquarters. His last appointment prior to his retirement in 2017 was the Chief of Staff at the Malaysian Armed Forces HQ in the Ministry of Defence Kuala Lumpur.

DSSA does not have any other directorships in any public companies.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATIN SRI ONG LELY

Group Managing Director

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Datin Sri Ong Lely ("Datin Sri Ong") was appointed to the Board of EURO as the Group Managing Director on 1 November 2023.

Datin Sri Ong graduated from Tunku Abdul Rahman College ("TARC") with a Diploma majoring in Competency in Office Management.

After graduating in 2003, Datin Sri Ong assisted in her family business, which was involved in the wholesale and trading of various types of building materials and hardware. From 2011 to the present, she has been with the SPA Group of Companies, where she oversees business administration and management functions.

Datin Sri Ong does not hold any other directorships in public companies.

She is the sister-in-law of Datuk Lim Sze Way, who is the Group Deputy Managing Director of EURO. Datin Sri Ong is also a director of S.P.A. Furniture (M) Sdn. Bhd., a major shareholder of EURO. Additionally, she is the daughter-in-law of Datin Chooi Moi, who is also a director of S.P.A. Furniture (M) Sdn. Bhd.

Save as disclosed above, Datin Sri Ong does not have any conflict of interest or potential conflict of interest, including any interest in a business that is in competition with the Company or its subsidiaries. She has not been convicted of any offences (other than traffic offences) within the past five (5) years, nor has she been subject to any public sanction or penalty imposed by any relevant regulatory authority during the financial year.

DIRECTORS' PROFILES

(cont'd)

DATUK LIM SZE WAY

Group Deputy Managing Director

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Datuk Lim Sze Way ("Datuk Lim") was appointed to the Board of EURO as the Group Deputy Managing Director on 27 May 2020.

Datuk Lim graduated from Multimedia University with a Bachelor of Accounting.

Datuk Lim began her career in banking in 2003 with Malayan Banking Berhad as an Account Officer at the Maybank Business Centre in Melaka, where she was responsible for business development and maintaining customer relationships to drive growth.

In 2008, Datuk Lim joined the Bank of China, Kuala Lumpur as a Relationship Manager, where her business development portfolio expanded to include large local corporations as well as China-based corporate clients.

She also served as the Personal Assistant to the Managing Director of a group of private limited companies principally involved in the manufacture and trading of automotive parts, lubricants, and property development.

Datuk Lim does not hold any other directorships in public companies.

She is the sister-in-law of Datin Sri Ong Lely, who is the Group Managing Director of EURO. Datuk Lim is also the daughter of Datin Chooi Moi, who is a Director of S.P.A. Furniture (M) Sdn. Bhd., a major shareholder of EURO.

Save as disclosed above, Datuk Lim does not have any conflict of interest or potential conflict of interest, including any interest in a business that is in competition with the Company or its subsidiaries. She has not been convicted of any offences (other than traffic offences) within the past five (5) years, nor has she been subject to any public sanction or penalty imposed by any relevant regulatory authority during the financial year.

YONG TECK WEE

Executive Director

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Mr Yong Teck Wee ("Mr Yong") was appointed as an Executive Director of EURO on 9 May 2024. Mr Yong was an ex-banker attached to local Banks and holds a Certified Credit Professional (Business) Institute of Bankers Malaysia; and a Diploma in Higher Accounting Course, the London Chamber of Commerce Industry ("LCCI").

Mr Yong has 40 years of experience in the Banking Industry. He was the Vice President with Ambank (M) Berhad, Melaka Business Centre from year 2008 to March 2024. Prior to that, he was a Senior Manager with Hong Leong Bank Berhad, Melaka Business Centre from year 1998 to 2008. Mr Yong was the Head of Cash & Remittance cum Head of Credit Processing & Credit Admin of Wah Tat Bank Berhad from year 1995 to 1998 and Banking Officer at Malaysian French Bank Berhad from year 1985 to 1995.

Mr Yong does not have any other directorships in any public companies.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DIRECTORS' PROFILES (cont'd)

TAN POH LING

Non-Independent Non-Executive Director



Madam Tan Poh Ling ("Madam Tan") was appointed as an Independent Non-Executive Director of EURO on 21 January 2009 and redesignated as a Non-Independent Non-Executive Director on 31 May 2023.

Madam Tan obtained her professional qualification from the Malaysian Association of Certified Public Accountant while she was working with an international accounting firm, PricewaterhouseCoopers Malaysia, from 1990 to 1995. She is registered as a Chartered Accountant with the Malaysian Institute of Accountants and a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants. She is also a Financial Planner with the Financial Planning Association of Malaysia and an associate member of the Chartered Tax Institute of Malaysia.

Madam Tan has more than 30 years of experience in auditing, accounting, taxation and corporate finance, and has worked in a multinational corporation. She is currently the Managing Partner of Total International Associates, an auditing and business advisory firm that she established in 2004.

She is an Independent and Non-Executive Director and the Member of Audit Committee of Padini Holdings Berhad.

She does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHUA YEOW FATT

Independent Non-Executive Director



*Chairman of Audit Committee
Member of Nomination and Remuneration Committee
Member of Risk Management & Environmental, Social and Governance Committee*

Chua Yeow Fatt ("Mr Chua") was appointed as an Independent Non-Executive Director of EURO on 3 June 2022. He is registered member with the Malaysian Institute Accountants ("MIA") since 1995.

Mr. Chua graduated from University Utara Malaysia in 1991 with Bachelor Accounting Degree (Honours). He holds a Master of Business Administration from Charles Sturt University, Australia in 2002.

Mr Chua has 18 years of working experience which include being a lecturer in several local private institutions. He began his career with international auditing firm KPMG in July 1991 upon graduation. After several years with KPMG, he left and joined several others Multi-National Companies (MNC) at finance managerial and controller level for several years.

He left DHL Cyberjaya as the Head of Project Controller/ Business Controller in 2007. After 2007, Mr Chua set up his own accounting practises which provides services such as corporate secretarial, corporate tax advice, auditing services and other related management service.

Mr. Chua does not have any other directorships in any other public companies.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DIRECTORS' PROFILES

(cont'd)

DATUK HAJI AZMI BIN HUSSAIN

Independent and Non-Executive Director

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*Chairman of Nomination and Remuneration Committee
Member of Audit Committee
Member of Risk Management & Environmental, Social
and Governance Committee*

Datuk Haji Azmi bin Hussain ("Datuk Haji Azmi") was appointed to the Board of Euro Holdings Berhad on 11 May 2023.

Datuk Haji Azmi graduated from University Kebangsaan Malaysia with a Degree in Economics. He started his career as an Administrative Officer with Perbadanan Kemajuan Negeri Melaka in September 1985 where he served for 16 years before serving as the Secretary of Majlis Bandaraya Melaka Bersejarah ("MBMB") from February 2001 to December 2012.

In December 2012, Datuk Haji Azmi was appointed as the Chief Executive Officer ("CEO") of Perbadanan Kemajuan Tanah dan Adat for a one-year term before being appointed as the CEO of Pusat Zakat Melaka for a two (2)-years term in January 2014. In January 2016, he was then appointed as the CEO of Perbadanan Kemajuan Negeri Melaka ("PKNM").

Datuk Haji Azmi was later appointed as the Mayor of MBMB from June 2018 to December 2018. He later assumed the position of CEO of Tabung Amanah Melaka from January 2019 to June 2019.

Datuk Haji Azmi does not have any other directorships in any public companies.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



DIRECTORS' PROFILES (cont'd)

YIP KIT WENG

Independent and Non-Executive Director



*Chairman of Risk Management & Environmental, Social and Governance Committee
Member of Audit Committee
Member of Nomination and Remuneration Committee*

Mr Yip Kit Weng ("Mr Yip") was appointed as an Independent Non-Executive Director of EURO on 14 July 2023

Mr Yip holds a degree in Bachelor of Commerce, majoring in Accounting and Finance from the University of Western Australia in 1993. Mr Yip has approximately over 3 decades of experience in Equity Fundraising, Corporate Finance and Advisory Services, Corporate Banking, Private Debt Securities Issuances and Private Equity Transactions.

He started his career in 1993 with Messrs. PriceWaterhouseCoopers before joining Utama Merchant Bank Berhad (formerly known as Utama Wardley Berhad) three years later. He spent a total of eight years as Senior Manager, Corporate Finance with Utama Merchant Bank Berhad and also worked as Executive Director with AFG Global Services Sdn Bhd and AFG Advisory Sdn Bhd from 2004 to 2008. He served as CEO-Asia for Kajo Investments Pty Ltd in 2009 and subsequently as Director of Equity Capital Markets with CIMB Investment Bank Berhad from 2010-2013. He then joined at RHB Investment Bank as Director/Team Head, Corporate and Investment Banking Services. In 2014, Mr Yip joined as Executive Director and Head of Investment Banking at Nomura Securities Malaysia Berhad. From October 2019 to November 2021, he was the Deputy Group Managing Director of Affin Hwang Investment Bank Berhad, where he also served as Non-Independent and Non-Executive Director of Affin Hwang Asset Management Berhad and AIIMAN Asset Management Sdn Bhd.

Mr Yip is a Chartered Accountant with the Malaysian Institute of Accountants (MIA) and a Member of the Chartered Tax Institute of Malaysia. He is also a Certified Financial Planner with the Financial Planning Association of Malaysia. Mr Yip is also a Fellow of CPA Australia and has been a member since 1993. He currently also serves as a Divisional Councillor for CPA Australia Malaysia Division effective January 2021 and was elected as President of the Malaysia Division for the calendar year 2025. Mr Yip was appointed as a Council

Member of the MIA for a two-year term by the Ministry of Finance Malaysia effective February 2025. Mr Yip also serves as a Member of the Faculty of Business Industry Advisory Board, Curtin University Malaysia.

Mr Yip is currently serving as an Independent Non-Executive Director of Esente Capital Berhad, PCA Capital Markets Sdn Bhd, Privasia Technology Berhad (listed on Ace Market of Bursa Malaysia Securities Berhad), Capital Dynamics Asset Management Sdn Bhd and Independent Non-Executive Chairman of Infocus Group Holdings Limited (formerly known as Frugl Group Limited) which is listed on the Australian Stock Exchange.

He does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

The Group's senior management team is led by our Group Managing Director, Datin Sri Ong Lely, Group Deputy Managing Director, Datuk Lim Sze Way, Executive Director, Mr. Yong Teck Wee, and Chief Financial Officer, Ms. Lim Sew Yang. Together, they are responsible for the day-to-day management and strategic direction of the Group.

The profile of the Chief Financial Officer, Ms. Lim Sew Yang, is disclosed below, while the full profiles of the Executive Directors are available in the Directors' Profile section of this Annual Report.

MS LIM SEW YANG, CLARE

Chief Financial Officer



Ms Lim Sew Yang (Clare) joined EURO on 23 September 2024 as the Chief Financial Officer. She is a graduate of the Association of Chartered Certified Accountants (ACCA) and is a member of the Malaysian Institute of Accountants (MIA). In addition, she holds a Company Secretary Practicing Certificate issued by the Companies Commission of Malaysia (SSM).

Clare began her career in 1993 at a public accounting firm, where she advanced to the role of Audit Manager over 8 years. Prior to joining EURO, she served as the Group Financial Controller of Toyo Ventures Holdings Berhad from January 2022 to August 2024.

With 30 years of experience across diverse industries - including real estate, education, legal, manufacturing, and trading - she has been extensively involved in property development, project management, and liaising with financial institutions for funding arrangements. Her responsibilities also encompass ensuring compliance with the Housing Development Act (HDA), as well as overseeing corporate administrative and human resource functions.

Clare does not hold any directorship positions in public companies.

She does not have any family relationship with any Director and/or major shareholder of the Company. She does not have any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries and has no conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

I. GENERAL DESCRIPTION OF THE GROUP'S BUSINESS

Our Group is principally engaged in the manufacturing and trading of office furniture. Established in 1976, the Manufacturing Division has grown over the past four decades into one of Malaysia's leading office furniture producers, offering comprehensive **workspace solutions** to customers both locally and internationally.



The Manufacturing Division owns a warehouse facility in Rawang, Selangor, and leases two buildings in Melaka, one serving as a manufacturing plant and warehouse, and the other as a showroom.

As part of its strategic direction to strengthen financial performance and diversify its business portfolio, EURO has expanded its operations to include the trading of **steel products** and related businesses. This move underscores the Group's commitment to growth, resilience, and long-term sustainability in an ever-evolving market landscape.



ACHIEVEMENTS THAT DRIVE US FORWARD



In recognition of its brand excellence, Euro Holdings Berhad received **The BrandLaureate Brand of the Year Award 2023 – BestBrands Award** in the category of **Best Choice – Office Furniture**.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

YEAR 2025 : We Make It Happen !

As we move through 2025, EURO continues to embrace change, challenge limits, and pursue growth with purpose.



Further strengthening its corporate credentials, the Group was honoured in May 2025, as a winner of the **Asia Pacific Enterprise Awards (“APEA”) 2025 Malaysia** under the **Corporate Excellence Category**.

Together, We Make It Happen !



MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

II. OBJECTIVES AND STRATEGIES

In April 2023, the Group initiated a business transformation programme to optimise operational efficiency and streamline non-core assets. As part of this initiative, the Group successfully relocated its warehouse facility from Rawang, Selangor to the state of Melaka, enabling more centralised management oversight and improved operational control. This relocation has enhanced resource utilisation and allowed the Group to focus on a higher-margin product mix.

Leveraging its established reputation in the steel furniture segment, the Group diversified into the trading of steel products, including steel pipes of various dimensions and specifications. These products serve a wide range of applications, from chair and table legs to lockers and building façades, complementing the Group's core business in office furniture manufacturing and trading.

The Group's key strategies for the trading of steel products and its related diversified businesses include:

- (a) advancing design and development initiatives to introduce innovative technologies within the steel products segment, while broadening the range of steel-related items that complement the Group's existing furniture offerings;
- (b) advancing design and development initiatives to introduce innovative technologies within the steel products segment, while broadening the range of steel-related items that complement the Group's existing furniture; and
- (c) growing its customer base and sales network by increasing market penetration through targeted marketing initiatives. These include developing new sales channels via strategic partnerships across diverse industries, particularly within the Asian office furniture and steel trading sectors, and enhancing brand visibility through participation in trade exhibitions, fairs, and seminars to attract new clients and expand business networks.



MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

As part of this diversification, the Group also trades steel pipes targeted at the construction sector, as depicted in the images below:



Steel bars



Steel pipes for hardware



Steel frames



Steel door handles



Steel exhaust pipes

Looking ahead, the Group plans to explore complementary business activities, including transportation and logistics services for the delivery of steel products from manufacturers to warehouses or directly to customers.

The objective of this transformation and diversification strategy is to strengthen the Group's financial position and support sustainable earnings growth.

III. FINANCIAL RESULTS AND FINANCIAL CONDITION

REVENUE

For the financial year ended 30 June 2025 (FYE2025), the Group recorded revenue of RM115.1 million, an increase of RM35.9 million or approximately 45.3% from RM79.2 million for the financial year ended 30 June 2024 (FYE2024). The improvement was primarily driven by stronger sales performance following the progressive reduction of inventory levels. Revenue in FYE2025 was mainly derived from the steel-related products segment.

COST AND EXPENSES

Total cost and expenses before finance cost amounted to RM123.4 million, up by RM25.0 million or approximately 25.2% from RM98.4 million (restated) in FYE2024. The lower growth rate in costs relative to revenue reflects ongoing cost optimisation and operational efficiency gains.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

The increase was largely attributable to a RM33.0 million or 43.0% rise in cost of sales, from RM76.8 million in FYE2024 to RM109.8 million in FYE2025. This was partially offset by the reduction in operating expenses of RM6.8 million or 33.2%, from RM20.5 million (restated) in FYE 2024 to RM13.7 million in FYE2025.

The decline in operating expenses was mainly due to the absence of bad debt write offs and impairment losses during the year.

OTHER INCOME

Other income for FYE2025 was RM1.0 million, a decrease of RM2.2 million from RM3.3 million in FYE2024. The higher amount in the prior year was largely due to a one-off reversal of impairment losses on trade receivables amounting to approximately RM2.2 million.

FINANCE COST

Finance costs fell sharply by RM1.2 million or 60.0%, from RM2.0 million in FYE2024 to RM0.8 million in FYE2025. The reduction was mainly to the full settlement of bank overdrafts and substantial repayment of term loans, which led to lower interest expenses.

TAXATION

The Group's recorded a tax credit of RM0.6 million for FYE2025, compared to a tax expense of RM4.1 million (restated) in FYE2024. The tax credit arose primarily from the overprovision of income tax in the previous financial year.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company narrowed significantly to RM4.2 million, compared to RM20.7 million (restated) in FYE2024. The improvement of RM16.5 million or 79.7% was mainly driven by higher revenue, lower operating expenses, reduced finance cost, and tax credit recorded during the year.

LIQUIDITY AND CAPITAL RESOURCES

As at FYE2025, the Group's cash and cash equivalents returned to a positive position of RM52,000, compared to a negative balance of RM575,000 as at FYE2024. This turnaround was mainly due to the full settlement of bank overdrafts.

GEARING

The Group's gearing ratio improved to 0.01 times as at FYE2025, from 0.03 times in FYE2024. The lower gearing reflects the Group's reduced borrowings following loan repayments. Gearing ratio is calculated as net borrowings divided by shareholders' equity, where net borrowings refer to total borrowings less fixed deposit, and cash and bank balances.

ASSETS

Total assets of the Group stood at RM151.6 million, compared to RM156.4 million (restated) in FYE2024, a decrease of RM4.8 million, mainly due to lower inventories and right-of-use assets as well as the absence of assets held for sale, partially offset by higher receivables.

During FYE2025, the Group conducted a revaluation of its freehold land and buildings, resulting in a revaluation surplus of RM35.3 million (net of tax). This was recognised in Other Comprehensive Income and credited to the Revaluation Reserve. The revaluation was carried out by an independent, licensed valuer registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

LIABILITIES

Total liabilities decreased slightly to RM50.7 million from RM51.3 million (restated) in FYE2024, mainly due to lower bank borrowings, lease liabilities, and tax liability, as well as the absence of liabilities classified as held for sale. These were partially offset by a higher amount due to related parties.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

OPERATING REVIEW

The Group recorded a loss before interest and tax (LBIT) of RM7.4 million for FYE2025, a substantial improvement from RM14.7 million (restated) in FYE2024, a reduction by RM7.3 million or 49.7%. The improvement was mainly due to lower finance cost and the absence of bad debt write-offs and impairment losses.

During the financial year, the Group's business activities were concentrated in the Trading Division, which accounted for the entirety of the Group's revenue and results.

IV. IDENTIFICATION OF RISK

The Group remains committed to proactively identifying, managing, and mitigating key risks that may affect its operational and financial performance. The principal risks and uncertainties identified during the financial year ended 30 June 2025 ("FYE2025"), together with the corresponding mitigation strategies, are summarised below:

1. Business Risk

As a relatively new participant in the steel trading segment, the Group faces competitive pressures from established players with larger market share and stronger brand recognition. There is no assurance that the Group's venture into the trading of steel products and related businesses will achieve the expected level of success or profitability.

Mitigation Measures:

- Continuous monitoring of market trends and customer demand to ensure timely adjustments to business strategies.
- Strategic collaboration with suppliers and customers to enhance market presence and competitiveness.
- Implementation of cost control initiatives and inventory optimisation to protect margins.

2. Dependence on Key Management Personnel

The Group's continued growth depends on the expertise, leadership, and experience of its key management personnel. The unexpected departure of such individuals, without timely and suitable replacements, or challenges in attracting and retaining skilled professionals, may disrupt operations and delay the execution of strategic initiatives.

Mitigation Measures:

- Succession planning for key leadership roles.
- Competitive remuneration packages to attract and retain talent.
- Ongoing professional development and leadership training to strengthen staff capabilities.

3. Competition Risk

The steel trading industry is highly competitive, with established players benefitting from long-term customer relationships and diverse product portfolios. As a new entrant, the Group may face challenges in capturing market share and scaling operations effectively.

Mitigation Measures:

- Differentiation through superior customer service, reliability, and responsiveness.
- Expansion of product offerings to address a broader range of customer requirements.
- Enhancing operational efficiency to maintain cost competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

4. Fluctuation in Steel Prices

The steel trading business is subject to price volatility influenced by global supply-demand dynamics and external factors such as tariffs, raw material shortages, logistics constraints, and regulatory changes. Significant price fluctuations may affect the Group's margins, working capital, and overall profitability.

Mitigation Measures:

- Active monitoring of market developments to anticipate and respond to price movements.
- Adoption of flexible procurement strategies and supplier diversification to mitigate risk exposure.
- Dynamic inventory management aligned with forecast demand to minimise the impact of price fluctuations.

The Group continues to strengthen its risk management framework to ensure timely identification, evaluation, and response to emerging risks. The Risk Management Committee, supported by senior management, oversees the effectiveness of mitigation strategies and ensures alignment with the Group's long-term strategic direction.

V. PROSPECTS AND INDUSTRY OUTLOOK

Group Prospects

For the financial year ended 30 June 2025 ("FYE2025"), the Group demonstrated resilience despite a challenging operating environment. Moving forward, the Group remains focused on driving sustainable growth through continued diversification, operational efficiency, and strategic market expansion.

The relocation of the manufacturing plant from Rawang, Selangor to Melaka represents a major milestone in repositioning the Group's operations. From this new base, the Group will re-focus its resources to strengthen its core business in office furniture and steel-related products. The relocation is expected to enhance production efficiency, streamline logistics, and support long-term scalability.

The Trading Division will continue expanding into new markets, particularly across Asia, to broaden its customer base and reduce reliance on the domestic market. The Group will also actively pursue export opportunities to diversify revenue streams and enhance geographical exposure.

The revaluation of land and buildings during the year has further strengthened the Group's financial position, resulting in improved gearing and a stronger foundation to support future capital investment and funding requirements.

Looking ahead, the Group will implement strategies aimed at revenue enhancement and cost optimisation to sustain profitability. Management remains committed to pursuing growth opportunities, improving operational efficiency, and enhancing long-term shareholder value.

Manufacturing and Furniture Industry in Malaysia

In 2024, Malaysia's manufacturing sector reaffirmed its strategic role in the national economy, attracting a higher number of approved projects and creating more employment opportunities compared to the previous year. The sector's evolution toward advanced manufacturing, with increasing emphasis on automation, high-value industries, and sustainable practices, continues to strengthen Malaysia's industrial ecosystem.

The manufacturing sector recorded RM120.5 billion in approved investments across 1,108 projects, representing 31.8% of Malaysia's total approved investments of RM378.5 billion. This demonstrates strong investor confidence supported by favourable government policies and targeted incentives.

(Source: Malaysia Investment Performance Report 2024 and Malaysia Investment Performance Report 2023, Malaysian Investment Development Authority)

Malaysian timber and furniture products continue to enjoy a strong global market presence. According to the Malaysian Timber Council's Annual Report 2024, wooden furniture remained the top timber product exported, contributing 43.2% (RM9.89 billion) of total timber exports, an 8.4% year-on-year increase. Malaysia ranked 5th globally in wooden furniture exports, with the United States accounting for 50.4% of total export value, followed by Singapore, Australia, the United Kingdom, Japan, and Canada.

(Source: Annual Report 2024, Malaysian Timber Council)

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Key growth drivers for the Malaysian furniture industry include:

- Rising global demand for Malaysian-made furniture, positioning the country among the world's top 10 furniture exporters;
- Enhanced market access through Free Trade Agreements (FTAs) and other trade facilitation measures that reduce tariffs and streamline customs processes; and
- Growth in e-commerce and omni-channel retailing, allowing furniture businesses to reach customers seamlessly across online and physical platforms.

Collectively, these factors are expected to support the sector's continued expansion and export competitiveness.

Steel Industry in Malaysia

The global steel sector is projected to experience a moderate recovery over the near term. According to the World Steel Association Short Range Outlook (October 2024), global steel demand is expected to decline by 0.9% in 2024 before rebounding by 1.2% in 2025

(Source: Short Range Outlook October 2024, The World Steel Association)

The global iron and steel market is forecast to reach approximately RM10.8 trillion by 2030, supported by several growth drivers:

- (i) Increasing urbanisation and infrastructure projects;
- (ii) Expansion of the electrical and electronics (E&E) and machinery and equipment sectors driven by automation and semiconductor demand; and
- (iii) The industry's transition toward energy efficiency and decarbonisation, in line with global sustainability initiatives.

(Source: NIMP 2030 – Metal Industry, Ministry of Investment, Trade and Industry)

These developments present opportunities for Malaysia to strengthen its domestic steel industry by pursuing higher value-added activities, technological innovation, and decarbonisation initiatives, as outlined in the New Industrial Master Plan (NIMP) 2030.

In summary, both the furniture and steel industries are expected to remain key pillars of Malaysia's industrial landscape. Supported by its ongoing transformation initiatives, strategic diversification, and enhanced operational base in Melaka, the Group is well-positioned to capitalise on emerging opportunities and deliver sustainable long-term growth.

VI. FORWARD LOOKING STATEMENT

(a) Group Outlook and Sustainability of Principal Business Segments

Group remains focused on its core activities of manufacturing and trading office furniture while strengthening its position in the steel products segment, which has become an increasingly important contributor to overall performance. The Board expects this diversification to continue supporting the Group's earnings stability and long-term growth.

In line with this strategy, the Group will continue to:

- Enhance design and development capabilities by introducing innovative technologies in the steel products segment;
- Broaden its product portfolio to include complementary steel-related offerings that add value to its existing range of **office furniture**; and
- Expand market reach by deepening penetration within Malaysia and across the broader Asian region. The Group will also explore joint ventures and strategic alliances to leverage industry expertise, distribution networks, and resources for accelerated growth.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)



The Group continues to leverage digital platforms and e-commerce channels to market its products regionally, particularly in Asia. These initiatives create alternative revenue streams and reduce reliance on traditional distribution models, aligning with evolving customer purchasing behaviour.



The Manufacturing and Trading Divisions will continue to build on the Group's established base of export clientele while exploring new international markets to diversify risks and support long-term sustainability. Its extensive range of **high-quality products** will remain central to maintaining competitiveness and scalability.

The Group recognises the impact of rising raw material costs and higher fixed overheads on margins, largely driven by global supply chain constraints. To mitigate these pressures, management remains focused on enhancing productivity, streamlining operations, and optimising resources to preserve profitability and competitiveness.

With respect to the Property Development segment, the Group will continue to assess potential opportunities, including joint venture projects, that could enhance future earnings. As of the date of this report, the Group does not have any ongoing or committed property development projects.



(a) Group Outlook and Sustainability of Principal Business Segments (Cont'd)

The Group is also actively engaging with its advisers to finalise the **Corporate Proposals** announced on 6 March 2025 (details are provided in the “*Additional Compliance Information*” section of this Annual Report). Management believes that the successful implementation of these proposals will strengthen the Group’s balance sheet and improve its long-term growth prospects.



In view of the positive outlook for both the furniture and steel industries, and supported by the Group’s transformation initiatives, the Board is confident that the Group is well-positioned to achieve sustainable performance and improved financial results in the coming years.

(b) Dividend policy

The Group does not currently have a formal dividend policy. However, it is the Board’s intention to consider future dividend distributions when the Group’s financial performance and cash flow permit.

Any declaration of dividends will take into account, among others:

- the Group’s profitability and solvency position,
- capital expenditure and reinvestment needs,
- overall financial condition, and
- other considerations deemed appropriate by the Board at the time.

For the financial year ended 30 June 2025, no dividend has been recommended (FYE2024: Nil).

GROUP FINANCIAL HIGHLIGHTS

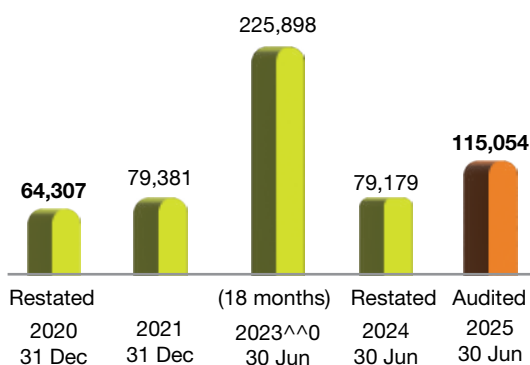
	FYE 31 Dec 2020 Restated	FYE 31 Dec 2021	FPE 30 Jun 2023^^ (18 months)	FYE 30 Jun 2024 Restated	FYE 30 Jun 2025
Operating Results (RM'000)					
Revenue	64,307	79,381	225,898	79,179	115,054
EBITDA	7,751	(18,262)	834	(4,088)	1,305
(Loss)/Profit before taxation	2,665	(21,986)	(12,379)	(16,684)	(8,111)
(Loss)/Profit after taxation	1,792	(21,821)	(12,520)	(20,779)	(7,529)
(Loss)/Profit attributable to equity holders	1,764	(21,736)	1,385	(20,743)	(4,170)
Key Data of Statement on Financial Position (RM'000)					
Total assets	124,766	109,389	121,309	156,397	151,603
Net borrowings	22,216	19,312	10,965	3,342	671
Shareholders' equity	64,473	44,328	75,001	105,078	100,908
Share Information & Key Financial Ratios					
Return on equity (%)	2.78	(49.23)	(16.69)	(19.77)	(7.46)
Return on total assets (%)	1.44	(19.95)	(10.32)	(13.29)	(4.97)
Gearing ratio (times)	0.34	0.44	0.15	0.03	0.01
Number of Ordinary Share In Issue ('000)	801,900	801,900	1,063,397	1,327,967	1,327,967
PE ratio (times)	1,318.32	(17.89)	61.42	(4.80)	(14.33)
(Loss)/Earnings per share attributable to equity holders (sen)#	0.22	(2.71)	0.13	(1.56)	(0.31)
Net asset per share (sen)	8.0	5.5	7.1	7.9	7.6
Share price as at financial year end (sen)	290	48.5	8.0	7.5	4.5

Notes :

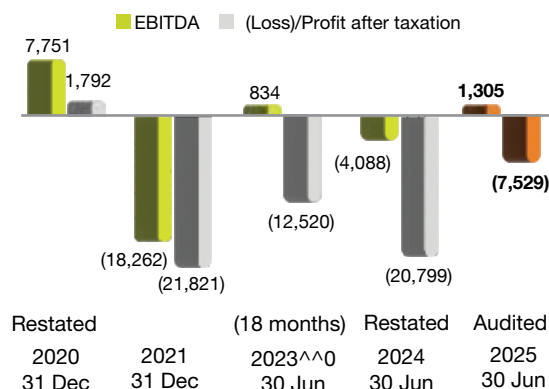
The (Loss)/ Earnings Per Share is arrived at by dividing the Group's (loss)/profit attributable to equity holders by the number of ordinary shares in issue during the year.

^^ Change in financial year end from 31 December to 30 June. For FPE ended 30 June 2023, it covers the period from 1 January 2022 to 30 June 2023.

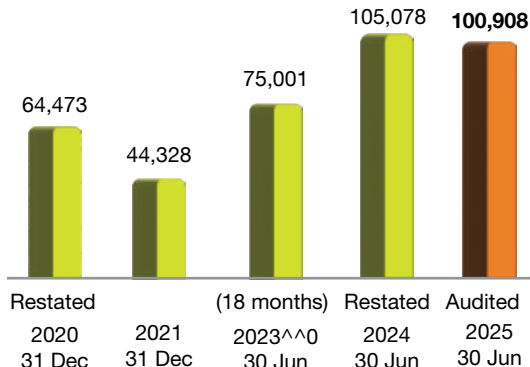
Revenue (RM'000)



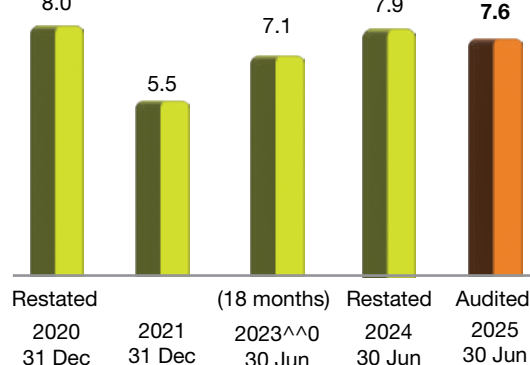
EBITDA & (Loss)/Profit after tax (RM'000)



Shareholders' Equity (RM'000)



Net asset per share (RM'000)



SUSTAINABILITY STATEMENT

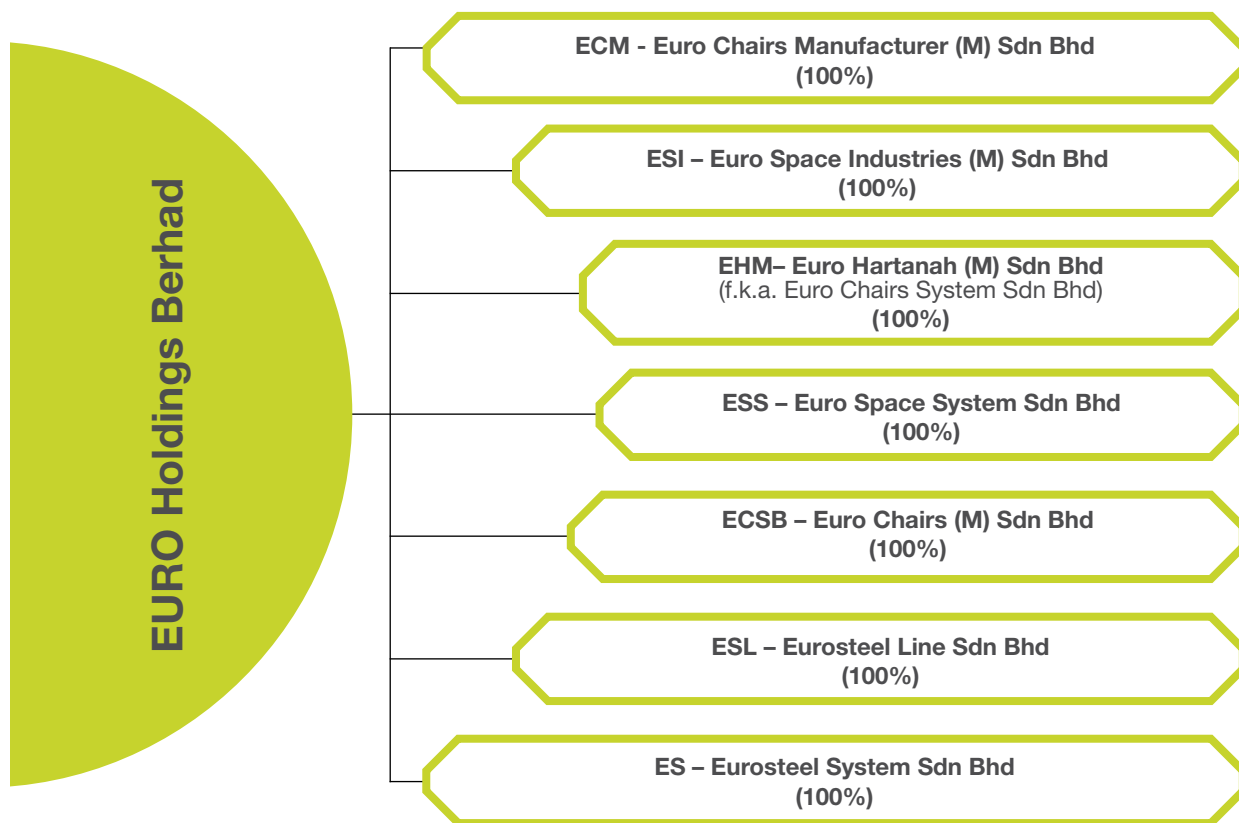
ABOUT THIS REPORT

The Board of Directors of Euro Holdings Berhad (“Euro” or “the Company”) views sustainability as an integral part of business in creating long term value for the stakeholders of Euro and its subsidiaries (“the Group”).

The Group is honoured to present the Sustainability Statement (“SS”) or (“the Statement”) for Financial Year Ended 30 June 2025 (“FYE 2025”). This Statement provides an overview of the Group’s Sustainability performance during the period from 1 July 2024 till 30 June 2025.



SUSTAINABILITY STATEMENT (cont'd)



Principal Activities of the Group

Control	Name of Company	Principal Activity
Holding	Euro Holdings Berhad	Investment Holding Company
Subsidiaries	Euro Chairs Manufacturer (M) Sdn Bhd	Manufacturing and marketing of furniture
	Euro Hartanah (M) Sdn Bhd (f.k.a. Euro Chairs System Sdn Bhd)	Trading of furniture, furnishing fabric materials and other furniture components
		Buying, selling, renting and operating of self-owned or leased real estate of non-residential buildings and land
	Eurosteel Systems Sdn Bhd	Trading of storages and steel furniture
	Euro Space Industries (M) Sdn Bhd	Manufacturing and trading of office furniture, partitions, chairs and panels
	Euro Space System Sdn Bhd	Trading of office furniture
	Euro Chairs (M) Sdn Bhd	Holds the industrial designs and trademarks for “EURO” products
	Eurosteel Line Sdn Bhd	Trading of steel products

SUSTAINABILITY STATEMENT (cont'd)

REPORTING FRAMEWORKS AND STANDARDS

This report has been prepared with reference to a range of international and local sustainability guidelines and standards, ensuring that our stakeholders receive meaningful and comparable disclosures.

In the preparation of this Sustainability Statement, we have been guided by the regulatory framework and guidelines as set out below:

- Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”);
- Sustainability Reporting Guide, 3rd Edition (“SRG”) issued by Bursa Malaysia Securities; and
- Malaysian Code on Corporate Governance, updated on 28 April 2021 (“MCCG 2021”)
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2

We also acknowledge the introduction of the National Sustainability Reporting Framework (NSRF) on 24 September 2024, which aligns Malaysia’s disclosure requirements with the ISSB standards. As a Group 2 entity, the Group is mandated to adopt partial IFRS S1 and S2 disclosures from Annual Reports issued for FYE 31 December 2026 and achieve full adoption for Annual Reports issued for FYE 31 December 2028 onwards.

FEEDBACK

Stakeholders are welcome to provide feedback on our SS and any of the issues discussed herein. Comments, queries and suggestions regarding the content of this SS may be emailed to corporate@eurochairs.com.

ASSURANCE STATEMENT

The information presented in the SS has not undergone assurance by our internal audit function or any other independent sustainability assurance provider. The Board of Directors (“Board”) of Euro provides ultimate oversight of corporate governance and is collectively accountable for sustainability integration across all business segments.

The Board has reviewed and approved this Sustainability Statement FYE 2025, ensuring that it reflects the Group’s sustainability strategy, risks, opportunities, and commitments. The Board has also reviewed the information provided herein and is satisfied that the information is supported with underlying records and arrived at based on management’s judgement.



SUSTAINABILITY STATEMENT (cont'd)

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

We recognise the importance of establishing a robust sustainability governance and leadership framework to effectively drive the sustainability agenda at Euro. Our governance structure has been designed to facilitate the integration of sustainability principles into all aspects of our business operations and decision-making processes. The Board of Directors is ultimately responsible for the Group's strategic direction on sustainability while being supported by the Risk Management & Environmental, Social and Governance Committee ("RMESGC") which consists of the following members :-

Name of Member	Designation in RMESGC
Yip Kit Weng	Chairman
Datuk Haji Azmi Bin Hussain	Member
Chua Yeow Fatt	Member



Sustainability Governance Structure

Sustainability Governance Structure and Roles and Responsibilities

Parties	Roles and Responsibilities
Board of Directors	- Provide general leadership, strategic direction and oversight of the Group's overall Sustainability Framework. - Provide advice and approve sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations. - Ensures sustainability matters are considered within the Group's respective business segment and progressively embed strong sustainability culture throughout the Group.
Risk Management & Environmental, Social and Governance Committee	- Responsible to review the sustainability strategy and performance; - Ensure smooth coordination and implementation of the Sustainability Strategy. The Sustainability strategy shall include the sustainability pillars, ie environment, social and governance; - Oversee the processes, standards and strategies designed to manage social and environmental risk, covering:- - Reviews adoption and effectiveness of all sustainability related policies/standards; - Oversee management processes to ensure compliance with policies/standards - Review annual periodic reports from senior management - Review the Sustainability Statement/Report - Provide oversight and input to Management's implementation, operation and assurance of policies and standards; - Monitor the Sustainability Key Performance Indicators of the Group and their implementation; - Drive engagement on sustainability amongst senior management of the Company, as well as mobilizing the support of the workforce through adoption of a mindset in favour of sustainability

SUSTAINABILITY STATEMENT

(cont'd)

Sustainability Governance Structure and Roles and Responsibilities (Cont'd)

Parties	Roles and Responsibilities
Executive Director	- Implement the integration of sustainability management into our Group's business strategy and goals. - Implement sustainability strategies, sustainability-related policies, initiatives, sustainability risks and opportunities for sustainability practices across all business operations. - Set sustainability performance indicators and perform data gathering, compiling and reporting. - Facilitate the sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations - Determine the adequacy of the response and the current standing and performance of the material sustainability matters of the Group. - Review and ensure adequate resources are made available for the successful implementation of sustainability strategies and initiatives. - Review and report sustainability progress and performance to RMESGC and the Board.
CFO	- Prepare the reports for material sustainability matters, sustainability progress, performance indicators and targets, the performance and annual sustainability disclosures. - Track the targets of sustainability indicators and progress performance indicators.
Head of Departments	- Implement daily management of sustainability matters. - Implement stakeholder engagement efforts.

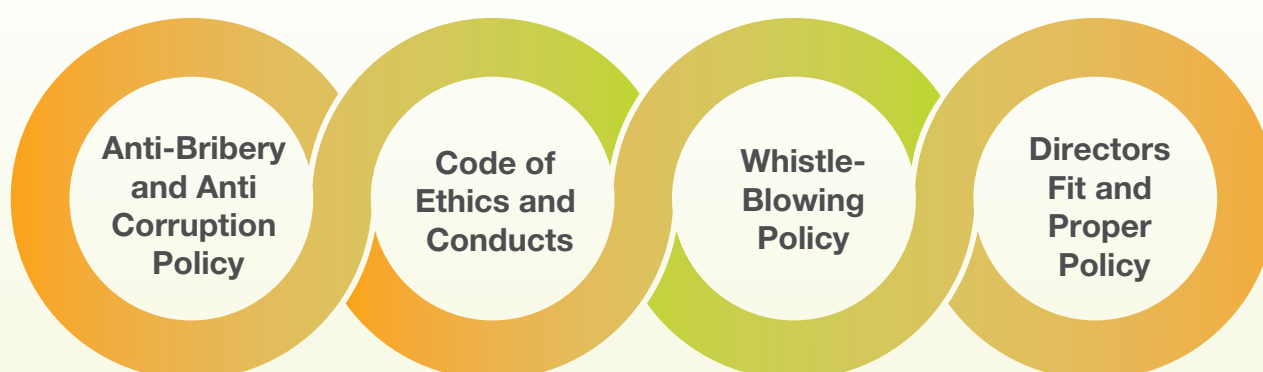
The Board of Directors strive to continuously be equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending training programmes.

For the Board, the performance evaluation in addressing the material sustainability risks and opportunities has been incorporated within the annual performance evaluation.

GOVERNANCE POLICIES AND PROCEDURES

In promoting good corporate governance, the Group also enforces other policies that add structure to corporate governance and serve as a tool to instil business ethics within employees.

These policies also support the core values by enabling achievement of unity by adopting a singular mindset driven by integrity, mindfulness and accountability.



SUSTAINABILITY STATEMENT

(cont'd)

STAKEHOLDER ENGAGEMENT

Our commitment to stakeholder engagement is fundamental to generating sustainable value for the Group. We proactively work with our key stakeholders throughout our business operations, soliciting their insights to inform our strategic decisions and ensure that their needs and expectations are aligned with our business goals. Below is a summary of our interactions with key stakeholders over the year, detailing the platforms used for engagement and communication and the concerns raised.

Stakeholders, Engagement Method and/or Frequency and Area of Concern

Stakeholders	Engagement Method/Frequency	Area of concern
Government agencies, regulators and authorities	i. As Needed - Telephone/Email - Government website - Physical consultation	i. Compliance with regulations and applicable requirements in Malaysia
Shareholders and Investors	i. Annually - Annual General Meetings - Annual Report ii. Quarterly - Financial performance in the Quarterly Report - Announcements to Bursa iii. As Needed - Company's website - Media Releases - Circulars	i. Financial performance ii. Corporate governance iii. Business strategies
Customers	i. Occasionally - Face to face meeting - Email - Phone call ii. As needed - Company's website through sales inquiry - Face to face meetings	i. Pricing ii. Product quality and service iii. Updates on product information iv. Delivery lead time
Suppliers	i. As Needed - Supplier visits - Supplier meetings - Supplier feedbacks	i. Business continuity ii. Payment term
Employees	i. Annually - Annual performance review ii. As Needed - Employee briefings - Management meetings - Open communication via internal channels such as emails and memo	i. Fair remuneration, benefits and welfare ii. Safe and conducive working environment iii. Learning and development for career development
Communities	As needed i. Community investment such as providing donations in the form of monetary and non-monetary ii. Partnership with organisations to support Corporate Social Responsibility ("CSR")'s activities	i. Fund raising and charity events ii. Community well-being
Financial Institutions and lenders	i. Periodically - Review on creditability - Corporate Dinner and Forums	i. Financial stability ii. Payment records iii. Business strategies and plans

SUSTAINABILITY STATEMENT (cont'd)

MATERIAL SUSTAINABLE MATTERS

Our materiality assessment process enables us to identify and assess key risks and opportunities to ensure long term sustainable growth. The assessment involves evaluating the significance of each sustainability issue based on its level of impact and influence on the Group.

Materiality Assessment Process



Identification of Sustainability Matters

- Understanding of company's operating context
- Identification of key stakeholders and understanding of their needs and expectations concerning sustainability areas and impacts
- Draw out an initial list of sustainability matters

Prioritisation of Material Matters

- Line up material matters according to their importance based on their impact to three aspects, economic, environmental and social; and their influence on stakeholders' decisions

Review and Validation of Process and Outcome

- Validate and review the materiality matters and the assessment process used to identify them.
- Review the frequency of assessment of material matters

Prioritisation of Sustainability Matters

A total of nine (9) material sustainability matters were deliberated and approved by the RMESGC as outlined below:



SUSTAINABILITY STATEMENT (cont'd)

Table of Sustainability Matters

Area	Material Matter
Governance	Anti-Corruption
Economy	Supply Chain Management
Environment	Energy Management
	Water Management
Social	Diversity
	Community/Society
	Health and Safety
	Labour practice and standards
	Data privacy and security

RISK MANAGEMENT

Each materiality matter presents both risks and opportunities for the Group. By effectively managing the risks while optimising the opportunities, we believe we can turn these milestones into achievements. This step helps us to attain deeper understanding of the materiality matters and develop proactive strategies that give us a competitive advantage in the industry.

Materiality matters, risks and opportunities associated with them and Management action plan to address the matters.

Material Matters	Risks	Opportunities	Management Action Plan
Anti-Corruption	- Violating the law - Financial Loss	- Trusted business partner - Good Corporate Image	Internal Audit of the Compliance with Anti-Corruption
Supply Chain Management	- Delivery lead time to Customer - Quality of materials	- Efficient management of sales and purchase practice - Explore other suppliers	Standard Operating Process for Supply Chain Management
Energy Management	- Contribution to carbon emission - Energy wastage caused increase in operating costs	Savings from energy management will translate into profit	Implement energy savings in the workplace
Water Management	Potential scarcity of water resources	Cost saving through reduced water consumption	Implement water savings in the workplace by displaying signage of water savings
Diversity	Reports of discriminative practices on racial discrimination can cause reputational risk	Tap on a diverse range of employee with different ethnicity and background	The group engaged employees for each respective department based on their qualification, past working experience, work knowledge
Community /Society	Complain on environment pollution due from transportation of products	Good image to employee as a reputable company	Training to employees on ethical conduct

SUSTAINABILITY STATEMENT

(cont'd)

Materiality matters, risks and opportunities associated with them and Management action plan to address the matters. (Cont'd)

Material Matters	Risks	Opportunities	Management Action Plan
Health and Safety	- Injuries due to non-compliance with health and safety policies and procedures may lead to potential fatalities and serious injuries. - Cost of injuries will directly impact the company expenses	Enhanced staff welfare and properly equipped with basic safety and medical kit to employee	Provide medical kits and safety equipment provided to warehouse worker
Labour practice	Risk of non-compliance with Malaysian labour laws and legal actions against the company may result in loss of business.	Constant review and monitoring of employee benefits and compliance to labour laws.	Timely submission of employee statutory contribution to government authorities
Data privacy and security	Cyber threats including breach of customers data may lead to loss of customer trust and reputational harm	Improved data management protects customer data and maintains trust	Upgrade IT Security, Company server and network

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ANTI-CORRUPTION

Our Group is committed to conduct our business activities in ethical, transparent and responsible manner. As such, we have put in place, Anti- Bribery and Corruption Policy, in line with the Malaysian Anti- Corruption Commission Act 2009, that communicates our Group policy against any form of bribery and corruption. We do not tolerate any bribery and corruption practices amongst our employees, as well as external parties such as customers and suppliers.

OUR APPROACH

Prevention of Misconduct and Fraud

To strengthen procedures aimed at preventing and detecting fraud, the Group has implemented a Code of Ethics and Conduct ("Code") for all employees. This Code establishes guidelines and assigns responsibilities to develop effective controls and conduct thorough investigations, fostering a unified and ethical organizational culture.

All employees are expected to perform their duties with integrity and in full compliance with relevant local laws and regulations. The Group rigorously monitors the conduct of its management team to prevent misconduct among the Board, senior leadership, and staff, including prohibiting any benefit transfers when evaluating new clients, and suppliers.

ANTI-CORRUPTION

Whistleblowing Policy

Our Group is committed to conduct our business activities in an ethical, transparent and responsible manner. As such we have put in place a Whistle Blowing Policy which is in line with the Whistleblower Protection Act 2010 and it was published on the Company's website. Euro is committed to a high standard of integrity, openness and accountability in the conduct of the businesses and operations in an ethical, responsible and transparent manner. In line with this commitment, all Euro's employees and members of the public are provided with an avenue to raise genuine concerns and disclose any improper conduct at the earlier opportunity and in an appropriate manner.

SUSTAINABILITY STATEMENT (cont'd)

OUR PERFORMANCE

Sustainability Indicator	Measurement Unit	FYE 2024	FYE 2025
Corruption case reported and action taken	Number	Nil	Nil
Percentage of operations assessed for corruption-related risks	Percentage	Nil	Nil
Percentage of employees who received training on anti-corruption by category	Percentage		
1) Directors		Nil	Nil
2) Management		Nil	Nil

SUPPLY CHAIN MANAGEMENT

Supply chain management is vital for Euro, as it directly influences operational efficiency, cost-effectiveness, and timely product delivery. By prioritizing ethical sourcing and compliance with sustainability standards, the company not only reduces potential risks and regulatory issues but also strengthens its reputation and build trust with stakeholders.

OUR APPROACH

The group's approach to supply chain management focuses primarily on maintaining relationships with existing customers. For new customers, it is recommended to conduct thorough trade checks and credit assessments using CTOS to evaluate their financial reliability and mitigate potential risks. This ensures a more secure and stable supply chain while fostering trust and reliability with new business partners.

OUR PERFORMANCE

Local Suppliers

In FYE 2025, the company spent a total of RM98,504,363 (2024-RM88,309,575) on procurement, with 100% of this amount directed to local suppliers.

Sustainability Indicator	Measurement	FYE 2024	FYE 2025
Proportion of spending on local suppliers	Percentage (%)	100%	100%

ENERGY MANAGEMENT

The Group acknowledges that our energy consumption and greenhouse gas (GHG) emissions contribute to climate change. As a responsible corporate citizen, we recognize our duty to reduce our carbon footprint while embracing the opportunities that come with the transition to a low-carbon economy.

Effective energy management is essential in today's business environment, not only for cost efficiency but also for environmental sustainability. By optimizing energy use, we can reduce our carbon footprint, align with global sustainability goals, and strengthen our reputation with stakeholders. Furthermore, as energy costs increase and emission regulations tighten, strong energy management practices provide a crucial competitive advantage.

OUR APPROACH

The Group is taking action to improve its energy management such as monitoring monthly energy bills and upgrading to energy-saving light bulbs. Moving forward, more extensive improvements like adding insulation, installing a reflective roof covering or improving HVAC (heating and cooling) equipment to optimize energy performance.

SUSTAINABILITY STATEMENT

(cont'd)

OUR PERFORMANCE

On top of that, the Group is considering more elaborate activities, such as creating financial projections for commissioning renewable energy services and making other improvements for clean energy consumption and reduced energy costs in coming years.

Total Electricity Consumption

Sustainability Indicator	Measurement	FYE 2024	FYE 2025
Total Electricity Consumption	kwh	305,183	163,596

WATER MANAGEMENT

Water resources are vital for preserving natural ecosystems and maintaining biodiversity. Proper management of these resources and improvements in water quality control are essential for ensuring the sustainable development of regional economies and supporting societal stability. Changes in water levels or pollution can negatively impact aquatic life, disrupting these ecosystems and threatening biodiversity.

OUR APPROACH

The Group is uncompromising in ensuring the hazardous contents do not affect the public water system and has plan to build an industrial effluent treatment system ("IETS") at its new factory in Melaka, if need be, to facilitate its metal sheet surface treatment process.

The IETS is designed to treat such wastewater and ensure the water discharged after treatment is maintained at a safe level, which also complies with the discharge standards set by the Department of Environment ("DOE")

OUR PERFORMANCE

Sustainability Indicator	Measurement	FYE 2024	FYE 2025
Total Volumes of Water Used	m ³	21,006	10,954

DIVERSITY, EQUAL OPPORTUNITY & NON-DISCRIMINATION

Diversity, equal opportunity, and non-discrimination are core principles that fuel innovation, cultivate a positive workplace culture, and demonstrate a company's dedication to social responsibility. By embracing these values, the company benefits from a wider range of perspectives, which promotes creativity and boosts employee morale. Additionally, it establishes the company as an inclusive, progressive organization, making it more attractive to a diverse pool of talent and a broader customer base.

OUR APPROACH

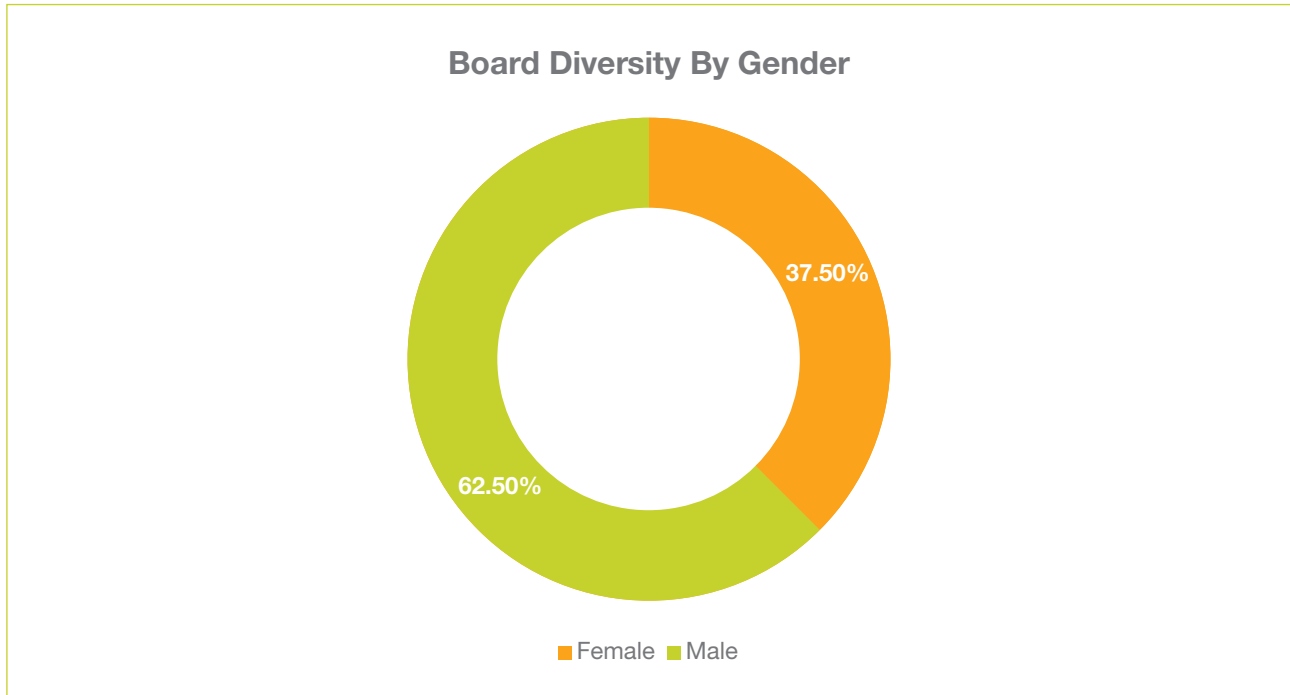
Our approach to diversity, equal opportunity, and non-discrimination is both strategic and values-driven. We actively seek to create a workforce that reflects the diverse communities in which we operate. Recruitment processes are designed to be unbiased, focusing on skills and potential rather than background or identity. Training programs emphasize the importance of an inclusive workplace, educating employees about unconscious biases and promoting a culture of respect. We also set clear policies against any form of discrimination, ensuring a safe environment for all employees. Regular reviews and feedback mechanisms are in place to assess our progress and address any concerns. By championing these principles, we aim to be industry leaders in inclusivity, ensuring that every individual feels valued, heard, and empowered to contribute to our collective success.

We pledge to embrace diversity and provide equal opportunity to everyone irrespective of their gender, age, and ethnicity to uphold our standard as a non-discriminative employer. Diversity enhances expansion of ideas and sustenance of continued talents, skills, and experience.

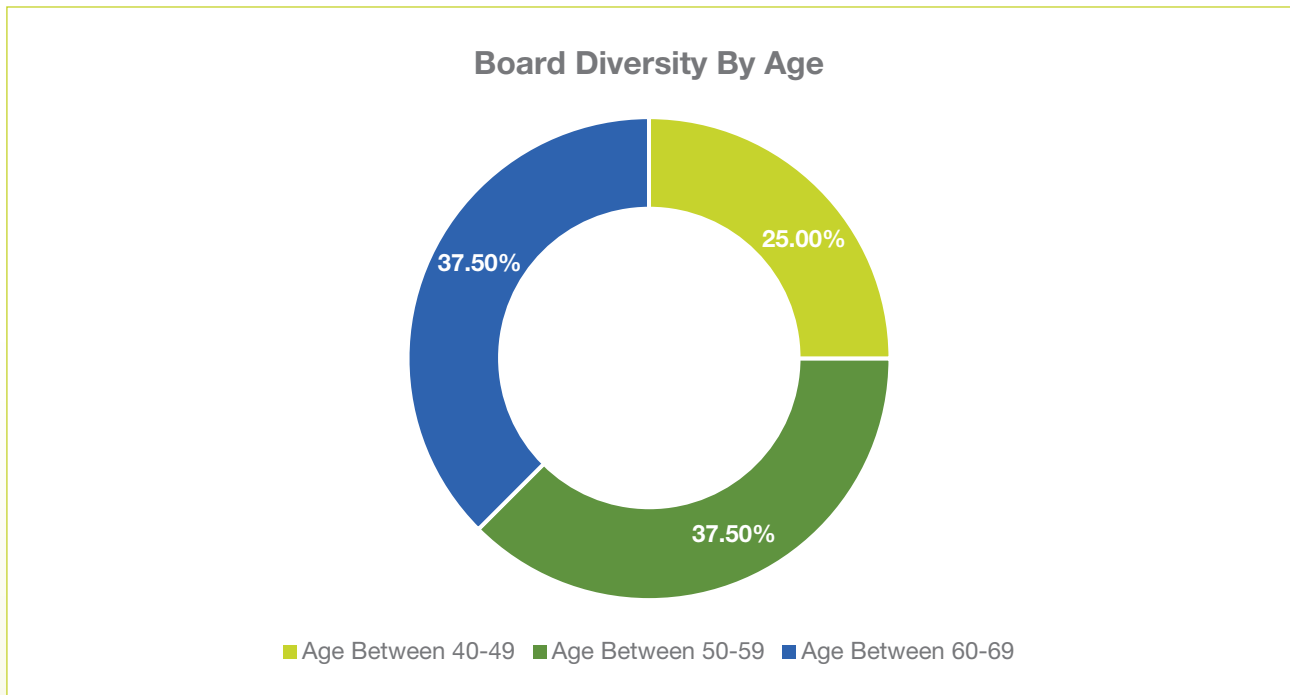
SUSTAINABILITY STATEMENT (cont'd)

OUR PERFORMANCE

Board of Directors Composition by Gender



Board of Directors Composition By Age



SUSTAINABILITY STATEMENT

(cont'd)

Employee Composition

Employee Composition by Gender

Gender	Management	Executive	Assistant and Operation
Male	2	1	4
Female	4	3	1

Employee Composition by Age

Age	Management	Executive	Assistant and Operation
30 and below	0	0	1
31 to 49	3	3	3
50 and above	3	1	1

COMMUNITY INVESTMENT

Community investment is essential for a company as it fosters goodwill, strengthens stakeholder relationships, and contributes to the sustainable development of the regions in which the company operates. Engaging in community investment not only reflects corporate social responsibility but also can lead to long-term business benefits by creating a positive brand image, fostering loyalty, and facilitating smoother operations through community support.

OUR APPROACH

In the realm of community investment, our approach is holistic and collaborative. We actively engage with local communities to understand their needs and challenges, with initiatives ranging from school sponsorships to community development programmes.

During the financial year ended ("FYE") 2025, the Group contributed a total of RM20,000 to two organisations as part of its ongoing commitment to social responsibility. There were no contributions made to charities, non-profit organisations ("NGOs"), or educational institutions across the regions in which we operate during FYE 2024.

OUR PERFORMANCE

Community Investment Performance Data

Sustainability Indicator	Measurement	FYE 2024	FYE 2025
Total community investments	RM	Nil	20,000
Total number of beneficiaries of the investments in community	Number of beneficiaries body	Nil	2

SUSTAINABILITY STATEMENT (cont'd)



Contributions of fans to schools



Contributions for charity run for school

HEALTH AND SAFETY

In the Group's manufacturing segment, employees may be required to perform work which may carry certain safety and health concerns. For example, exposure to fumes arising from the welding process may lead to nausea, dizziness, eye, nose and throat irritation, and even cancer if under prolonged exposure. Another example is employees working with machinery, equipment or sharp tools are exposed to greater risk of physical injury such as cuts or crush injury. The Group views employees' safety and health as a significant business concern and has put in place tight processes and controls to manage this risk.

OUR APPROACH

The Group views employees' safety and health as a significant business concern and has put in place tight process and controls to manage this risk. The Group aims not to have any serious injury or fatality, as an objective of the management of its occupational safety and health risk.

Guided by international standards of the ISO 45001:2018 – Occupational Health and Safety Management Systems, the Group conducts and periodically reviews its Hazard Identification and Risk Assessment to identify high risk areas pertaining to health and safety in its operations.

Accordingly, controls are put in place, or enhanced where required, and embedded in the Standard Operating Procedures ("SOP") by which employees are guided when performing their work. For employees exposed to health and safety hazards, such as welders and employees working with machinery, equipment and sharp tools, personal protection equipment ("PPE") such as respirator, face shield, safety shoes, safety gloves, is provided at the cost of the Group, etc. In addition, PPE trainings are also provided to employees to ensure proper usage.

The Group ensures safety stoppers and emergency stop buttons are well functioning in case of any emergency. Employees are also trained to use fire extinguishers to cater for any emergency fire situations.

SUSTAINABILITY STATEMENT

(cont'd)

OUR PERFORMANCE

Work Related Injuries

Sustainability Indicator	Measurement	FYE 2024	FYE 2025
Total Hours Worked	No. of Hours	2,137	2,114
Number of Fatalities	No. of Fatalities	Nil	Nil
Number of Lost Time Injuries	No. of Reported Injuries	Nil	Nil
Lost Time Incident Rate ("LTIR")	Rate	Nil	Nil
Number of employees trained on health and safety standards	Number	Nil	Nil

We are delighted to confirm that there were no cases of non-compliance to Occupational Health and Safety regulations for FYE 2024 and 2025. We are determined to maintain this record for years to come.

LABOUR PRACTICE

Euro recognizes that labour practices are fundamental to the success of any business, as they directly impact employee well-being, productivity, and the overall health of the organization. Ensuring fair, ethical, and compliant labour practices, in line with both local and international standards, is essential to fostering a positive workplace culture and maintaining a strong reputation.

The Group acknowledges its responsibility to protect employees' rights and welfare, ensuring they are treated fairly. The Group is dedicated to creating a work environment that is respectful, engaging, and collaborative. As a responsible employer, the Group is committed to upholding the welfare of foreign workers and supporting employees' rights to freedom of association and collective bargaining. To further support our employees, we organize engagement activities that promote a healthy work-life balance, enhance team communication and collaboration, and boost morale and productivity.

OUR APPROACH

Our Group understands that our employees are our key assets who are vital to our business operations and the success of our Group and as such we are committed to maintain a safe and conducive workplace for our employees. This involves putting in place initiatives to ensure our employees physical and mental wellbeing.

Our strategies for addressing social sustainability issues are as follows: -

(a) Training and development

We are cognisant of the need to continuously train and develop our employees to nurture them. We provide on-the-job training to our employees to keep them up to date with the skills and knowledge required to enhance their competencies.

We also allocate training budget and plan training courses for our employees development based on their training needs. Further, our Group has also established a training requisition form should our employees request for participation in additional training programme to improve on their skill sets.

SUSTAINABILITY STATEMENT (cont'd)

(b) Employee wellbeing

The Group believes that it is important to foster a positive workplace that leads to healthy and motivated employees as it helps them thrive and further contribute to our Group.

The accommodation provided to our local and foreign workers in Malaysia are in compliance with minimum requirements as set out under the relevant regulations.

We also organise activities such as celebration lunches and dinners during festive occasions to reward our employees.

OUR PERFORMANCE

We will intensify our efforts to manage human rights in order to achieve the target of zero substantiated complaints regarding human rights violations.

Sustainability Indicator	Measurement	FYE 2024	FYE 2025
Overall Employee Turnover Rate	Percentage (%)	23.81	1.47
Number of employee turnover by employee category	Number		
Director		1	0
Management		4	4
Proportion of contract/temporary staff	Percentage (%)	Nil	Nil
Number of substantiated complaints concerning human rights violations	Number	Nil	Nil
Training hours by employee category	Hours	60	104
a) Director			
b) Management			
Average training hours per employee	Hours	2.86	6.93
Amount spent for training and development	RM	14,915.00	31,010.00

DATA PRIVACY AND SECURITY

In today's digital era, prioritizing data privacy and cybersecurity is essential for businesses, as the impact of cyberattacks and data breaches can be both financially damaging and harmful to a company's reputation. Complying with robust data protection regulations is not only a legal necessity but also provides a competitive edge. As customers become more aware of privacy concerns, Euro's dedication to protecting sensitive information strengthens stakeholder confidence, ensures operational continuity, and supports long-term growth in the digital environment.

SUSTAINABILITY STATEMENT (cont'd)

OUR APPROACH

The group's approach to managing data privacy and cybersecurity involves implementing well-defined policies and leveraging outsourced IT management services to handle critical infrastructure like server management. By outsourcing IT services, Euro ensures that experienced professionals manage their servers, providing expert monitoring, maintenance, and security. This strategic move not only optimizes operational efficiency but also reinforces data protection efforts by relying on specialized service providers who stay updated on the latest cybersecurity threats and best practices. Such an approach helps the group maintain compliance with data protection regulations while mitigating risks related to cyberattacks and breaches.

OUR PERFORMANCE

As of FYE 2024 and 2025, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

	Measurement	FYE 2024	FYE 2025
Number of substantiated complaints concerning breaches in customer privacy or data loss	Number	Nil	Nil

OUR WAY FORWARD

Looking ahead, our mission remains focused on integrating Environmental, Social, and Governance (ESG) principles into every aspect of our furniture manufacturing and steel trading operations. We are committed to sourcing sustainable materials, minimising our carbon footprint, and upholding ethical labour practices across our supply chain. By leveraging innovative technologies and adopting eco-friendly production methods, we aim to create products that are not only durable and aesthetically appealing but also environmentally responsible.

As we embark on this journey, we are driven by a sense of purpose—delivering value to our customers while contributing to the well-being of the communities we serve. With the continued support of our stakeholders, employees, and partners, we are confident that our efforts will result in a more sustainable and responsible future for the furniture industry, ensuring long-term success for both our business and the environment.



SUSTAINABILITY STATEMENT

(cont'd)

The performance data table from Bursa Malaysia's ESG Reporting Platform is presented below:

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management/Executive	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	20,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management 30 and below	Percentage	0.00
Management 31-49	Percentage	20.00
Management 50 and above	Percentage	20.00
Executive 30 and below	Percentage	0.00
Executive 31-49	Percentage	20.00
Executive 50 and above	Percentage	6.67
Assistant and Operation 30 and below	Percentage	6.67
Assistant and Operation 31-49	Percentage	20.00
Assistant and Operation 50 and above	Percentage	6.67
Gender Group by Employee Category		
Management Male	Percentage	13.33
Management Female	Percentage	26.67
Executive Male	Percentage	6.67
Executive Female	Percentage	20.00
Assistant and Operation Male	Percentage	26.67
Assistant and Operation Female	Percentage	6.67
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.50
Female	Percentage	37.50
Age between 40-49	Percentage	25.00
Age between 50-59	Percentage	37.50
Age between 60-69	Percentage	37.50
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	163.60
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Directors	Hours	104
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	4
Director	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Measurement Unit	2025
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	10.954000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Euro Holdings Berhad (“**EURO**” or “**the Company**”) is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (“**the Group**”) as a fundamental part of discharging its duties to enhance shareholders’ values consistent with the broad principles, intended outcomes, guidance and recommendations for good corporate governance and best practices for listed companies as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) and the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

Pursuant to Paragraph 15.25(1) and Practice Note 9 of the MMLR of Bursa Securities, the Board is pleased to present this Corporate Governance Overview Statement, which provides a summary of the Company’s corporate governance practices during the financial year ended 30 June 2025 (“**FYE 2025**”) with reference to the following three (3) key corporate governance principles as advocated in the MCCG:

Principle A Board Leadership and Effectiveness;

Principle B Effective Audit and Risk Management; and

Principle C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Shareholders are encouraged to review this CG Statement together with the Corporate Governance Report (“**CG Report**”), which provides detailed disclosures on the application of each practice. Both the CG Statement and CG Report is available on our Group’s website at www.euroholdings.com.my as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is collectively responsible for overseeing and ensuring that the conduct of the businesses of the Group complies with relevant laws, policies, standards and guidelines applicable to the Group. The key responsibilities include the primary responsibilities prescribed under the MCCG. These cover a review of the strategic direction for the Group, overseeing the business operations of the Group and evaluating whether these are being properly managed.

Duties and Responsibilities of the Board

The Board retains full and effective control over the affairs of the Group and the Company. This includes responsibility for determining the Group’s and the Company’s development and overall strategies direction, which are as follows:

- reviewing and providing guidance on the Company’s and Group’s corporate strategy and adopting a strategic plan for the Company through the development of risk policy, annual budgets and long-term business plans, reviewing major capital expenditures, acquisitions and disposals;
- monitoring corporate performance and the conduct of the Group’s business and ensuring compliance to best practices and principles of corporate governance;
- identifying and implementing appropriate systems to manage principal risks. The Board undertakes this responsibility through the Audit Committee;
- ensuring and reviewing the adequacy and soundness of the Group’s financial system, internal control systems, and management information system are in compliance with the applicable standards, laws and regulations;
- ensuring a transparent Board nomination and remuneration process, including management, ensuring the skills and experiences of the Directors are adequate for discharging their responsibilities whilst the calibre of the Non-Executive Directors bring an independent judgment in the decision-making process;
- ensuring a proper succession plan is in place;
- monitoring material litigations (if any);
- approving all financial reports to be published and related stock exchange announcements;
- monitoring other material reporting and external communications by the Group;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Duties and Responsibilities of the Board (Cont'd)

- approving the dividend policy and payment of dividends;
- appointing external auditors; and
- evaluating and reviewing the social, ethical and environmental impact of the Group's activities and determining, monitoring and reviewing standards and policies to guide the Group in this regard.

Board Charter

The Company has a Board Charter that sets out a list of specific roles and functions reserved for the Board and other matters important for good corporate governance. The Charter also states that the Board shall observe the Directors' Code of Best Practice.

The Board Charter is reviewed as and when necessary. It is accessible through the Company's website at www.euroholdings.com.my.

Code of Conduct and Ethics

The Board, in discharging its oversight role, conducts its business in observation with the Company's Code of Conduct and Ethics for Directors. A summary of the Code of Conduct and Ethics is available on the Company's website at www.euroholdings.com.my.

The Code of Conduct and Ethics is formulated to enhance the standard of corporate governance and corporate behaviour to achieve the following objectives:

- To establish a standard of conduct and ethical behaviour for Directors based on trustworthiness and value that can be accepted and upheld by the Directors;
- To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company; and
- To manage conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is updated periodically to reflect changes to the Board's practices and amendments to the relevant rules, requirements, and regulations.

The Board last reviewed the Code of Conduct and Ethics on 24 October 2024.

Strategies promoting sustainability

The Board practices good corporate governance in applying sustainability practices throughout the Company, the benefits of which are believed to translate into better corporate performance and value creation for its shareholders.

On 27 May 2024, the Board established the Risk Management & Environmental, Social and Governance Committee ("RMESG") and the composition of RMESG is as follows:

Chairman – Yip Kit Weng, Independent Non-Executive Director
 Member - Datuk Haji Azmi Bin Hussain, Independent Non-Executive Director
 Member - Chua Yeow Fatt, Independent Non-Executive Director

The Company continued to carry out activities that demonstrated its commitment to creating a better environmental, social, and sustainability agenda during FYE 2025, as reported in the Sustainability Statement on pages 22 to 40 of this Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Whistle-blowing Policy

The Board allows employees and associates to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistle-blowing Policy reviewed by the Board on 30 September 2024 provides and facilitates a mechanism for any employee and associate to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

The Whistle-blowing Policy is accessible through the Company's website at www.euroholdings.com.my.

Anti-bribery and Corruption Policy

The Board established and approved the Anti-bribery and Corruption Policy ("the Policy") to uphold the Group's effort and commitment to ensure adequate and standardised application of the Policy consistently throughout the Group by the employees and business operations within the Group and strict adherence to it.

The Policy is accessible through the Company's website at www.euroholdings.com.my.

Directors' Fit & Proper Policy

The Board established the Directors' Fit & Proper Policy to ensure that any person to be appointed or elected/re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharging of their responsibilities in the most effective manner. The said Policy is also applied to appoint the Company's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.

The Policy is accessible through the Company's website at www.euroholdings.com.my.

Composition and Balance

The Board currently has eight (8) members, one (1) Independent Non-Executive Chairman, one (1) Group Managing Director, one (1) Group Deputy Managing Director, one (1) Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

The current board composition complies with Paragraph 15.02 of the MMLR of Bursa Securities and Practice 5.2 of the MCCG, which recommends that at least 50% of the board consists of independent non-executive directors to ensure balanced decision-making and effective oversight.

Additionally, the Board has met the requirement of Practice 5.9 of the MCCG, which stipulates that at least 30% of the directors should be women. Presently, the Board has three (3) women directors, representing 37.5% of the total board composition.

The Board believes its current composition and size are sufficient to effectively discharge its duties and responsibilities. The Board members bring diverse professional and entrepreneurial backgrounds and a range of skills and experiences. The Independent Non-Executive Directors contribute essential checks and balances, ensuring an objective and independent evaluation of the Board's decision-making process.

The Board recognises the importance of maintaining a clear division of roles and responsibilities at the top of the Group to ensure a proper balance of power and authority. The Independent Non-Executive Chairman is primarily responsible for the orderly conduct and effective functioning of the Board. Meanwhile, the Executive Directors are focused on setting the business direction, overseeing the development of the operating units, and ensuring organisational effectiveness. They are also tasked with implementing the Board's policies and decisions, while the management team manages the Group's day-to-day operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Time Commitments

The Board is primarily responsible for the strategic directions of the Group and is scheduled to meet at least four (4) times a year. However, additional meetings may be convened as and when deemed necessary as determined by the members of the Board.

During the financial year under review, a total of seven (7) board meetings were held and the details of each Directors' attendance are set out as follows:

Name of Directors	Attendance	Percentage
LT Gen (R) Dato' Sri Sabri bin Adam	7/7	100%
Datin Sri Ong Lely	7/7	100%
Datuk Lim Sze Way	7/7	100%
Mr Yong Teck Wee	7/7	100%
Madam Tan Poh Ling	7/7	100%
Mr Chua Yeow Fatt	7/7	100%
Datuk Haji Azmi bin Hussain	7/7	100%
Mr Yip Kit Weng	7/7	100%

The Board is satisfied with the level of commitment given by the Directors toward fulfilling their roles and responsibilities. This is demonstrated by among others, the satisfactory attendance and time spent by the Directors at the Board and Board Committees meetings during the financial year. Currently, all Directors of the Company held less than five (5) directorships in other listed companies.

Supply of Information

All Directors are provided with complete and timely information ahead of each Board meeting, along with an agenda and a comprehensive set of Board papers. These papers include details on financial, operational, and corporate matters. The Board papers are circulated in advance, allowing the Directors to seek further clarification, if necessary, to ensure they are adequately briefed before the meeting.

All Directors, whether acting as an entire Board or in their individual capacity, have access to the advice and support of the Company Secretaries and management staff. When deemed necessary, the Board may also engage the services of Independent Professional Advisors on specialised matters to assist them in carrying out their duties effectively.

Appointment of Directors

The Nomination and Remuneration Committee ("NRC") is responsible for recommending suitable candidates to the Board for appointment as new Directors. In making these recommendations, the NRC considers factors such as the mix of skills, experience, expertise, and the candidate's potential contribution to the Company. These factors are carefully evaluated before any recommendation for appointment is submitted to the Board for consideration and approval.

There were no changes in the composition of the Board during the FYE 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Re-election of Directors

In accordance with the Constitution and in compliance with the MMLR, all Directors are required to retire from office at least once every three (3) years and are eligible for re-election. The Constitution also requires that at least one-third (1/3) of the Board of Directors retire at each Annual General Meeting and may offer themselves for re-election.

Based on the result of the assessment, the NRC has recommended to the Board the re-election of the following Directors who are retiring at the Company's forthcoming 21st AGM pursuant to the Constitution of the Company:

- a) Lt Gen (R) Dato' Sri Sabri bin Adam pursuant to Clause 105(1) of the Company's Constitution; and
- b) Chua Yeow Fatt pursuant to Clause 105(1) of the Company's Constitution.

The NRC collectively agree that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors. The NRC had also conducted the fit and proper assessment on the abovementioned Directors and was satisfied with the outcome of the assessments.

The resolution for the re-election of each Director is voted separately at the forthcoming 21st AGM.

Continuing Education Programme

All Directors have attended the Directors' Mandatory Accreditation Programme ("MAP") and MAP Part II are aware of the requirements of the Continuing Education Programme prescribed by the MMLR of Bursa Securities.

All the Directors have attended the MAP and MAP Part II as prescribed by Bursa Securities for directors of public listed companies in relation to sustainability and the roles of a Director in accordance with the MMLR. The Directors will continue to undergo other relevant training sessions to further enhance their knowledge in the latest statutory and regulatory developments as well as to keep abreast with development in the business environment to enable them to discharge their responsibilities efficiently.

The Directors have attended the following trainings during the FYE 2025:

Name of Director	Date of training	Trainings
Yip Kit Weng	18 July 2024	Leading the leap: Trust-driven strategies to shape reinvention
	26. July 2024	Navigating Malaysia's Indirect Tax Landscape: Latest Updates and Implications
	11 September 2024	KPMG Board Leadership Center Exclusive Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Bill 2024
	23 September 2024	Navigating Blue Finance: Unlocking New Opportunities for Sustainable Investments
	3 October 2024	Decoding AI in the accounting industry
	16 October 2024	E-Invoicing : Key Lessons Learnt from Implementation
	22 October 2024	Navigating Corporate Governance with Proxy Advisors: Global Trends and Malaysian Insights
	24 October 2024	Strengthening Cybersecurity and Resilience of Digital Infrastructure with the Cloud
	4 November 2024	Capital Market Director Programme (CMDP) Module 1: Directors as Gatekeepers of Market Participants
	6 November 2024	Capital Market Director Programme (CMDP) Module 2B: Business Challenges and Regulatory Exercises -What Directors Need to Know (Fund Management)
	6 November 2024	A Guide to improving your audit practice reviews

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Continuing Education Programme (Cont'd)

Name of Director	Date of training	Trainings
Yip Kit Weng (Cont'd)	7 November 2024	Capital Market Director Programme (CMDP) Module 3: Risk Oversight and Compliance - Action Plan for Board of Directors
	8 November 2024	Capital Market Director Programme (CMDP) Module 4: Emerging and Current Regulatory Issues in the Capital Market
	21 January 2025	Spotlight on Fraud: Key Trends and Challenges in 2025
	25 February 2025	Understanding MBRS2.0 in Malaysia : Compliance & Best Practices
	17 March 2025	Tun Ismail Ali Center of Excellence (TIA COE) Research Seminar with Professor Bernard Yeung on Digital Technology, Legal Reforms and Bank Lending
	14 April 2025	Malaysia Tax Conference (14-15 April 2025)
	8 May 2025	Transfer Pricing vs Tariff Policy, Pillar 1 & 2 - Bullet proof your company in the age of global market uncertainty
	20 May 2025	MIA Enforcement Training - IC, DC, DAB, PR, FSR, Legal 2025
	27 May 2025	MIA International Accountants 2 Days Conference 2025 (40th edition)
	18 June 2025	Corporate Governance in Sustainability
	19 June 2025	PWC's Indirect Tax Webinar : Exploring the expanded scope of Sales Tax & Service Tax
Chua Yeow Fatt	22-23 January 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	20 February 2025	SSM Seminar MBRS 2.0 Mandatory Submission Phase 2 Annual Return & Financial Statement
Lt. Gen (R) Dato' Sri Sabri Bin Adam	22-23 January 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Datuk Haji Azmi Bin Hussain	22-23 January 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Poh Ling	20 September 2024	Implementation of E-Invoicing in Malaysia: Mechanism and Benefits to Taxpayers
	21 November 2024	2025 Budget Seminar
	22 November 2024	Accelerate your Financial Reporting Excellence
	19 December 2024	Applying ISA 600 (Revised 2023) Audit of Group Financial Statements
	25 March 2025	The New MIA Practice Review Framework (PR) 2024 & Navigating the PR Effectively
Datin Sri Ong Lely	22-23 January 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Datuk Kenix Lim Sze Way	22-23 January 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Yong Teck Wee	22-23 January 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Tenure of Independent Directors

Practice 5.3 of the MCGG states that the tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years in the same capacity, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Pursuant to the definitions in the MMLR of Bursa Securities, an Independent Director shall not have served as an Independent Director in the Company or any of the companies in the Group for a cumulative period of twelve (12) years from the date of his/her first appointment as an independent director.

During the FYE 2025, none of the Independent Directors served the Board exceeding the tenure of nine (9) years.

Nomination and Remuneration Committee

The Nomination Committee ("NC") and Remuneration Committee ("RC") were established in February 2005. On 27 May 2024, the Board approved the merger of the NC and the RC into a new Board Committee known as the Nomination and Remuneration Committee ("NRC"), which aimed to improve the efficiency and effectiveness of the Board in discharging its duties.

The NRC is responsible for recommending suitable candidates to the Board for appointment as new Directors. In making these recommendations, the NRC considers factors such as the mix of skills, experience, expertise, and the candidate's potential contribution to the Company. These factors are carefully evaluated before any recommendation for appointment is submitted to the Board for consideration and approval.

Composition and Meeting Attendance

The NRC comprises three (3) members, all of whom are Non-Executive Directors and the majority of whom are Independent Directors, which complies with the requirements of the MMLR of Bursa Securities. The composition of the NRC is as follows:

	Name of NRC	Designation
Chairman	Datuk Haji Azmi Bin Hussain	Independent Non-Executive Director
Member	Yip Kit Weng	Independent Non-Executive Director
	Chua Yeow Fatt	Independent Non-Executive Director

The NRC has met on 24 October 2024, which was attended by the Chairman and the NRC Members. The Group Managing Director, Deputy Group Managing Director and Executive Directors were invited to attend the NRC meeting to facilitate discussions and provide appropriate information and advice on relevant matters for the NRC.

All proceedings of the NRC meeting is duly recorded in the minutes and are properly kept by the Company Secretary.

The NRC's Terms of Reference ("TOR") were adopted by the Board on 24 October 2024, and the said TOR can be viewed at the Company's website at www.euroholdings.com.my.

A summary of the activities carried out by the NRC during the FYE 2025 are as follows:

- Reviewed and assessed the Board structure, size, composition and diversity as well as the Board's and individual Directors' required mix of skills, experience and other qualities.
- Reviewed and assessed the effectiveness of the Board, Committees of the Board and the contribution of each individual Director.
- Reviewed and assessed the Directors' standing for re-election and re-appointment and recommended the same to the Board for consideration.
- Reviewed the term of office and performance of the Audit Committee and its members and was satisfied that the Audit Committee had carried out its duties in accordance with its Terms of Reference.
- Reviewed and recommended to the Board for approval on the fees and meeting allowances of the Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Composition and Meeting Attendance (Cont'd)

The NRC has implemented a formal and transparent selection process for the identification of new Directors. The process includes assessing the ideal composition of the Board and the suitability of the candidate to meet the needs of the Board and the Company.

Similarly, the appointment of Directors to the board committees would be made under a similar formal and transparent process, taking into account the Director's competencies, commitment and ability to contribute effectively.

The Board acknowledges that gender diversity is one of the key attributes to an effective and balanced board. The Board has three (3) women directors out of eight (8) Board members, i.e., 37.5% female Board representation. The Board is of the opinion that the current composition is balanced and effective, with a good mix of skills and experience from the different backgrounds of both Executive and Non-Executive Directors.

Board and Board Committee Evaluation

The Directors are required to complete a self-assessment performance evaluation form annually, and the NRC carries out the annual evaluation to determine the effectiveness of its board, board committees and individual directors by way of self and peer evaluation. The criteria used, amongst others:

- a) the annual assessment of individual Directors includes an assessment of their roles, duties, responsibilities, competency and contribution, and any conflict arises (if any);
- b) the board and board committees including composition, structure, accountability, responsibilities, compliance, and governance.

For the assessment for FYE 2025, the NRC reviewed the results of the annual evaluation on the board and its committees, and each individual Directors. The NRC was satisfied with the outcome of the evaluations, and the Board has noted the results through the reports from the Chairman of the NRC. The Board considered the annual evaluation is adequate to determine the overall effectiveness of the Board and individual directors.

Generally, the Directors were satisfied with the Board's performance as a whole. The Directors' reviews indicated that all Directors were of the view that each of them had performed their respective roles and functions effectively and responsibly during FYE 2025. Each member was satisfied with each other's contribution in sharing their insights and active participation in Board and Board Committee discussions. All the Board Committees were assessed to be effective in discharging their roles and responsibilities as per the terms of reference.

III. REMUNERATION

The NRC was authorised by the Board to establish a formal and transparent procedure for developing remuneration policy and fixing the remuneration packages of individual Directors and senior management. The Remuneration Policy is accessible through the Company's website at www.euroholdings.com.my.

The Company has remuneration policies and procedures to determine the remuneration of Directors and Senior Management. The Executive Directors' remunerations are designed to link rewards to the Company's and individual's performances, while the remunerations of the Non-Executive Directors are determined in accordance with their experience and the level of responsibilities assumed. The Directors' remunerations are in line with market expectations and competition to retain and attract talent.

The Executive Directors do not participate in the decision on their own remuneration. Likewise, the remuneration of the Non-Executive Directors is a matter for the Board as a whole, with individual Director abstaining from the discussion of their own remuneration.

The Corporate Governance Report discloses a breakdown of detailed Directors' Fees and other benefits paid during FYE 2025. The Report is accessible to the public for reference at the Company's website, www.euroholdings.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee (“AC”) comprises three (3) Independent Non-Executive Directors. The Chairman, Mr Chua Yeow Fatt, is a member of the Malaysian Institute of Accountants. The other members are Datuk Haji Azmi bin Hussain and Mr Yip Kit Weng.

The composition and details of activities carried out by the AC during the FYE 2025 are set out in the Audit Committee Report of this Annual Report 2025.

External Auditors

The Board has established a transparent relationship with the External Auditors through AC, which has been accorded the authority to communicate directly with the external auditors. The External Auditors, in turn, are able to highlight matters which require the attention of the Board to the AC in terms of compliance with the accounting standards and other related regulatory requirements.

The AC undertakes an annual assessment of the suitability and independence of the External Auditors. The factors considered by the AC in its assessment include the adequacy of the staff’s professionalism and experience, the External Auditors’ resources, the fees, and the independence of the level of non-audit services rendered to the Group.

The Company had on 16 May 2025 received the notice in writing from Messrs. ChengCo PLT (“Chengco”) on their resignation as Auditors of the Company with immediate effect. The resignation of Chengco was due to the suspension of its registration by the Audit Oversight Board (“AOB”) of the Securities Commission Malaysia effective from 30 April 2025.

Upon the departure of Chengco as the external auditors of the Company, the AC and the Company have been actively sourcing for new external auditors. On 30 May 2025, the Company announced the appointment of Messrs. Kreston John & Gan (“Kreston”) to fill the casual vacancy arising from the resignation of Chengco.

On 24 October 2025, the AC assessed the suitability and independence of the new External Auditors. Based on their assessment, the AC was satisfied with Kreston’s competency, experience, and independence. The Board, based on the AC’s recommendation, will table the re-appointment of Messrs. Kreston John & Gan as the company’s External Auditors at the forthcoming 21st AGM.

Risk Management and Internal Control

The Statement on Risk Management and Internal Control, which is available on pages 54 to 58 of this Annual Report 2025, provides information concerning the Group’s risk management strategies and internal controls.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Investor Relations and Shareholder Communication

The Board acknowledges the importance of transparency and timely communication with shareholders and other stakeholders. To ensure that all important issues and developments are communicated effectively, the Company provides information through several key documents:

- Annual Report
- Disclosures and announcements to Bursa Securities are also published on the Company’s website. These include Quarterly Reports and Annual Financial Statements. Shareholders can access the Company’s latest announcements via the Bursa Securities website at www.bursamalaysia.com and the Company’s website at www.euroholdings.com.my.
- Circulars to Shareholders

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Shareholders' Participation at General Meetings

In adherence to the Guidelines and FAQs on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia, the 20th AGM was held on 17 December 2024 by fully virtual basis through live streaming from the broadcast venue and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Agmo Digital Solutions Sdn Bhd ("AGMO"). By leveraging the technology provided by AGMO, shareholders were able to cast their votes in absentia and attend the meeting remotely in a secure online environment.

All the Directors had attended the 20th Annual General Meetings. Shareholders were allowed to participate in the questions and answers session, during which they may raise questions regarding the proposed resolutions at the meetings and on matters relating to the Group's business and affairs. All the resolutions tabled were approved and passed by its shareholders.

COMPLIANCE STATEMENT

The Board has reviewed and approved this statement, believing it provides shareholders with the necessary information to evaluate how the MCCG has been implemented. The Board is confident that the Group has complied with the MCCG, the MMLR, and all relevant laws and regulations throughout the FYE 2025.

This statement is made in accordance with a resolution of the Board of Directors dated 31 October 2025.

AUDIT COMMITTEE REPORT

The Board of Directors of EURO Holdings Berhad is pleased to present the Audit Committee (“AC”) Report of the Company for the financial year ended 30 June 2025 (“FYE 2025”).

COMPOSITION

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The current composition of the AC is as follows:

- Chairman – Mr Chua Yeow Fatt, Independent Non-Executive Director
- Member – Mr Yip Kit Weng, Independent Non-Executive Director
- Member – Datuk Haji Azmi bin Hussain, Independent Non-Executive Director

Mr Chua Yeow Fatt is a member of the Malaysian Institute of Accountants (“MIA”) and meets the requirement of Paragraph 15.09(1)(c)(i) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), as he is a member of MIA. All members of the Audit Committee (“AC”) are not alternate directors.

The Chairman of the AC is not a Chairman of the Board. The AC comprises solely of independent Directors pursuant to Step Up Practice 9.4.

MEETINGS AND ATTENDANCE

A total of seven (7) meetings were held during FYE 2025. The attendance records of the meetings are as follows:

Name	Attendance	Percentage of attendance
Chua Yeow Fatt	7/7	100%
Datuk Haji Azmi bin Hussain	7/7	100%
Yip Kit Weng	7/7	100%

The meetings were conducted openly and constructively, encouraging focused discussions, questioning, and expressions of differing opinions. The Group Managing Director, Group Deputy Managing Director, Chief Financial Officer (“CFO”), and Senior Management, if required, were invited to attend all meetings, and the Company Secretary recorded the minutes.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following activities undertaken by the AC during FYE 2025 were as follows:

- a) Reviewed four (4) quarterly Interim Financial Reports presented by Management to ensure compliance with disclosure requirements of approved Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards, the Companies Act 2016, the Listing Requirements, and other statutory and regulatory requirements. The AC then recommended the reports to the Board for consideration, approval, and subsequent announcement to Bursa Securities. The AC also sought clarifications from Management on the Group’s performance as needed.
- b) Reviewed annual Audited Financial Statements presented by Management in the presence of the External Auditors to ensure compliance with disclosure requirements of MFRSs, IFRS Accounting Standards, the Companies Act 2016, Listing Requirements, and other statutory and regulatory requirements. The AC also resolved any contentious issues before recommending the Audited Financial Statements to the Board for consideration, approval, and subsequent announcement to Bursa Securities and distribution to shareholders.
- c) Reviewed and recommended for the Board’s approval the Statement on Risk Management and Internal Control and AC Report for inclusion in the Annual Report 2025.
- d) Reviewed the recurrent related party transactions entered by the Group and ensured that the transactions under the shareholders’ mandate were within the threshold as set and in accordance with the mandate obtained from the shareholders.
- e) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of the Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature.

AUDIT COMMITTEE REPORT (cont'd)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

- f) Discussed and reviewed the audit fees of the External Auditors and made recommendations for approval to the Board.
- g) Reviewed and discussed with the External Auditors the AC Report for the financial year ended 30 June 2025 and the Audit Planning Memorandum for the financial year ended 30 June 2025 and recommended the same for the Board's notation.
- h) The assessment of the External Auditors was conducted by completing the evaluation form as guided by the Corporate Governance Guide on Evaluation of External Auditors Performance. The AC had, with the assistance from the Management, assessed the performance, suitability and independence of Messrs. Kreston John & Gan ("Kreston") and recommended that Kreston be re-appointed as the External Auditors of the Company;
- i) Reviewed and discussed with the Internal Auditors, the Internal Audit Report on the review of General Information Technology Control and Human Resource, including the management action plans based on the recommendation highlighted by the Internal Auditors before updating the Board.
- j) Assessed the Internal Auditors' performance. The AC was satisfied with their performance, adequacy of the scope, functions, competency, and resources, and that they have the necessary authority to carry out their work.

INTERNAL AUDIT FUNCTION

The Internal Audit function plays a vital role within the Group's assurance framework. It conducts independent and systematic reviews of the internal control system to provide reasonable assurance regarding the adequacy, integrity, and effectiveness of the Group's overall controls, risk management, and governance processes.

The AC is supported by an outsourced internal audit function in discharging its duties and responsibilities. SocialGreen Governance Sdn. Bhd. ("SocialGreen"), a corporate member of the Institute of Internal Auditors, Malaysia, served as the Group's outsourced internal audit function for FYE 2025, operating independently of Management and reporting directly to the AC.

The AC reviewed the adequacy and effectiveness of SocialGreen, encompassing its scope, functions, competency, and resources, prior to recommending SocialGreen's continuing serving as the Group's Internal Auditors for FYE 2025.

In assessing SocialGreen's independence and performance, the AC was satisfied with its competency, independence, and the quality of its Internal Audit Reports. The AC was satisfied that SocialGreen should continue serving as the Group's Internal Auditors for FYE 2025, and the Board concurred.

SUMMARY OF INTERNAL AUDIT ACTIVITIES

For the FYE 2025, the Internal Auditors conducted the following activities:

- developed and presented the Internal Audit Plan for review and approval by the AC. This plan guided the execution of internal audit activities throughout the financial year;
- conducted internal audits based on the approved plan, assessing the effectiveness of internal controls of critical business processes and assessed the efficacy and adequacy of the existing state of internal control of the subsidiaries, identified risks and internal control gaps, and recommended possible improvements to the internal control process;
- performed follow-up reviews on previously identified issues, ensuring that management addressed outstanding recommendations;
- issued comprehensive Internal Audit Report to the AC. These reports detailed audit findings, weaknesses identified in systems and controls, and corresponding management responses; and
- presented the Internal Audit Report to the AC for review and discussion. Internal Audit Reports were reviewed and adopted by the AC.

The total cost incurred by the Group in respect of the internal audit function for FYE 2025 was RM28,000 (2024: RM28,000).

AUDIT COMMITTEE REPORT (cont'd)

RELATED PARTY TRANSACTIONS AND CONFLICT-OF-INTEREST

The AC annually reviews procedures for identifying, monitoring, reporting, and reviewing related party transactions ("RPTs"), recurrent RPTs ("RRPTs"), and potential conflict-of-interest ("COI") situations. On a quarterly basis, the AC reviews RPTs that occurred within the Company and the Group during the financial year, including revenue and trading-related RRPTs. It also assessed potential COI situations.

The AC is satisfied that:

- procedures are sufficient to ensure RPTs are conducted at arm's length, on terms no more favourable to related parties than those available to the public, and not detrimental to minority shareholders;
- the Group has adequate procedures for timely and orderly identification, monitoring, tracking, and reporting of RPTs and RRPTs;
- no COI situations arose, persisted, or may have arisen during the financial year that required resolution, elimination, or mitigation measures; and
- the Directors and Senior Management have given declarations to the Company that they are not involved in any COI situations, actual and potential, during the financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Euro Holdings Berhad (“the Group”) recognises its overall responsibility for maintaining a sound system of risk management and internal control in accordance with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Malaysian Code on Corporate Governance 2021. This responsibility extends to reviewing the adequacy and effectiveness of the Group’s risk management and internal control system to safeguard shareholders’ value and the interests of other stakeholders. The system, however, is designed to manage risks within tolerable parameters rather than eliminate them entirely, and therefore provides only reasonable, and not absolute, assurance against material misstatement, financial loss, or fraud.

RESPONSIBILITY OF THE BOARD

Throughout the financial year ended 30 June 2025 and up to the date of this statement, the Group’s risk management and internal control system continued to operate effectively. Oversight of risk management is delegated by the Board to the Risk Management and Environmental, Social and Governance Committee (“RMESGC”), which meets on a quarterly basis to review key risk issues and reports directly to the Board. The Board, however, retains ultimate accountability for ensuring that risk management is embedded within the Group’s culture, strategy, and operations. The Board has defined and communicated the Group’s risk appetite, and receives assurance from the Group Managing Director, Group Deputy Managing Director, Executive Director, and Chief Financial Officer that the Group’s risk management and internal control system are operating adequately and effectively, in all material aspects.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group’s risk management framework is embedded in its organisational processes and is designed to support effective decision-making. This framework incorporates formal codes of conduct, clearly documented policies and procedures, and Board Charters that define the responsibilities of the Board, its committees, and individual Directors. Authority and accountability are delegated through an organisational structure that is aligned to business requirements, with clearly defined roles and responsibilities at every level. The Board works closely with Management to determine and communicate risk appetite and tolerance, to monitor whether risks are managed within acceptable ranges, and to ensure that appropriate actions are taken when risks exceed these thresholds.

The Group has adopted a cautious approach in managing risks. While it is willing to accept calculated risks that support innovation and growth, it has very low or zero tolerance for risks relating to regulatory non-compliance, health and safety, fraud, and reputational damage. The Group’s risk management approach is assessed to be at a developing to refining maturity level.

Over the past year, the establishment of the RMESGC and the implementation of structured risk identification and reporting processes have enhanced the overall framework. Risk assessments are carried out in a systematic and comprehensive manner, covering strategic, financial, operational, compliance, and emerging risks such as ESG and cybersecurity.

Residual risks are documented in the Risk Register and reported to the Board, while significant risks trigger specific and documented action plans.

The Group’s system of internal control is designed to support the achievement of its business objectives. The internal control environment includes an organisation structure that is aligned to operational needs, with internal control mechanisms embedded into work processes at appropriate levels. An independent internal audit function, outsourced to a professional consulting firm, provides objective assurance to the Audit Committee on the effectiveness of the internal control system. Governance and oversight are further strengthened by the direct involvement of the Board and Audit Committee. Control responsibilities and authorities are defined and assigned through the organisation’s structure and are formally documented in job descriptions. Policies, the Code of Conduct, and human resource practices are aligned with the Group’s objectives and risk appetite. Business continuity, succession planning, and disaster recovery arrangements are documented and periodically tested. Compliance with laws, regulations, and Bursa requirements is ensured through established policies, regular training, and the support of independent advisers, including the Company Secretary, Share Registrar, Internal Auditors, Principal Advisers, and Legal Advisers. Internal control weaknesses are documented and promptly addressed, while controls are adapted as necessary to manage new risks such as cybersecurity threats, ESG requirements, and supply chain challenges.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Some of the key risks presented to the Board were as follows :-

(a) Operational Risks

(i) Supply Chain Disruptions

- Nature and Extent: The Group is exposed to operational risks including delays in raw material supply and constraints in production due to machinery breakdown or labour shortages.
- Acceptable Risk Level: Limited disruptions are expected, but long-term shortages are not tolerated.
- Likelihood of Occurrence: Medium – Supplier reliability and local market fluctuations present ongoing risk.
- Mitigation Measures: Multiple sourcing and buffer stocks are used.
- Cost vs. Benefit of Controls: Buffer stocks and sourcing strategies incur cost but protect production continuity.

(ii) Inadequate Pre-Procurement Procedures with Suppliers

- Nature and Extent: Absence of proper pre-procurement steps with suppliers — such as pre-qualification, sourcing strategy, obtaining competitive quotations, and assessing supplier capacity — may lead to poor vendor selection, inflated pricing, delays, and quality issues.
- Acceptable Risk Level: Low
- Likelihood of Occurrence: Medium – As supplier evaluation and sourcing activities are not consistently performed before procurement requests are raised.
- Mitigation Measures: Implement structured pre-procurement procedures including supplier pre-qualification, market sourcing, quotation comparison, and due diligence checks prior to supplier engagement.
- Cost vs. Benefit of Controls: Strengthening pre-procurement with suppliers improves cost efficiency, ensures vendor reliability, and enhances compliance and transparency in procurement decisions.

(b) IT Risk

Data Loss and Recovery Issues

- Nature and Extent: Loss of financial, customer, or design data can affect operations and compliance.
- Acceptable Risk Level: Low
- Likelihood of Occurrence: Medium to High – Especially during relocation of server and computer equipment, reinstallation, updates or power failures.
- Mitigation Measures: Automated backups, upgrade server, off-site disaster recovery.
- Cost vs. Benefit of Controls: Recovery solutions protect intellectual property and continuity, and data for audit.

(c) Economic/Market Risk

Fluctuations in Market Demand and Volatility in Steel Prices

- Nature and Extent: The Group is exposed to changes in consumer demand, steel price fluctuations, which could affect revenue and margins.
- Acceptable Risk Level: Moderate – Some fluctuation is tolerable.
- Likelihood of Occurrence: Medium to High – Regional prices and market demand are affected by economic slowdown and political uncertainty.
- Mitigation Measures: The Group monitors market trends closely, adjusts pricing strategies, and product diversification to manage exposure.
- Cost vs. Benefit of Controls: Risk mitigation protects profitability and planning.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

(d) Environmental / Regulatory Risk

(i) Compliance with Environmental, Health, and Safety Regulations

- Nature and Extent: Waste, noise, or emissions are subject to local environmental and occupational safety regulations. Factory operations carry injury risks from machinery, lifting, and handling.
- Acceptable Risk Level: Low – Non-compliance could result in fines, shutdowns, or reputational damage.
- Likelihood of Occurrence: Medium to High – Risk increases with untrained workers.
- Mitigation Measures: SOPs, ensures worker safety training, and licensed disposal vendors.
- Cost vs. Benefit of Controls: Ensures valid license and renewal, and community goodwill. Safety investments reduce incident costs and regulatory fines.

(ii) Foreign Worker Regulation Compliance

- Nature and Extent: Non-compliance with recruitment, permit, levy, or accommodation regulations can lead to fines, permit revocations, operational disruption, and reputational damage.
- Acceptable Risk Level: Low
- Likelihood of Occurrence: Medium – As the number of foreign workers is not large, but risks exist due to manual tracking and reliance on agencies.
- Mitigation Measures: Implement SOPs for recruitment and permit renewals, maintain a central register with alerts, conduct periodic compliance checks, vet agencies, and appoint a responsible officer.
- Cost vs. Benefit of Controls: Proper systems minimise legal and operational risks, ensure business continuity, and maintain good regulatory standing.

(e) Reputational / Product Quality Risk

Product Defects or Warranty Claims

- Nature and Extent: Faulty or substandard products may lead to customer complaints, loss of repeat business, or damage to brand reputation.
- Acceptable Risk Level: Low – The Group holds a low tolerance for quality issues that could compromise customer trust.
- Likelihood of Occurrence: Medium – quality issues may arise from materials, workmanship, or design flaws.
- Mitigation Measures: Quality control inspections, and pre-delivery checks.
- Cost vs. Benefit of Controls: Quality assurance processes incur costs, but they ensure brand integrity and reduces costs of rework and warranty claims.

INTERNAL AUDIT

The Group's internal audit function was performed by an outsourced professional firm of consultants that is independent of the activities it audits. The outsourced internal auditors had reviewed the Group's system of internal controls to identify and address related internal control weaknesses. The internal audit team independently reviewed the risk identification procedures and control processes implemented by the Management. Any significant weaknesses identified during the reviews together with the improvement measures to strengthen the internal controls were reported to the Audit Committee. Internal audit also tested the effectiveness of the internal control on the basis of an internal audit strategy and a detailed annual internal audit plan was presented to the Audit Committee for approval. All the subsidiaries were audited based on critical risk areas. It should be annotated that the internal audit was performed based on samples selection and did not engage any strategy to detect fraud during the performance of the audit.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

INTERNAL AUDIT (CONT'D)

The internal audit also reports on the activities performed and key strategic and control issues observed to the Audit Committee in order to preserve its independence. The Audit Committee reviews and approves the internal audit's annual budget and audit plan. Internal audit adopts the International Standards for The Professional Practice of Internal Auditing of The Institute of Internal Auditors (IIA), the definition of Internal Auditing and Code of Ethics, Practices and Framework in order to ensure standardisation and consistency in providing assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. Internal audit continues to adopt the risk-based audit plan to ensure the programmes carried out are prioritised based on the Group's key risks and core/priority areas. Input from various sources, inclusive of the Enterprise Risk Management Framework, past audit issues, external auditors, Management and Board are gathered, assessed and prioritised to derive the annual audit plan.

In 2025, the Internal Auditor reviewed and reported on the followings :-

Reported on	Company	Audited Area
May 2025	Euro Holdings Berhad	Human Resource
August 2025	Eurosteel Line Sdn Bhd	Sales Order to Pre-Procurement

Report from the internal audit review carried out was submitted and presented to the Audit Committee with the feedback and agreed corrective actions to be undertaken by the Management. Subsequently, the progress of these corrective actions will be monitored and verified by the internal audit and reported to the Audit Committee. Management implemented a combination of process improvements, policy updates, and staff training to address these weaknesses. Other than this, no significant control failings or weaknesses that would materially affect the Group's operations were identified. The Group also did not experience any unexpected incidents of fraud, major disruptions, or regulatory penalties.

The cost incurred for the internal audit during the financial year ended 30 June 2025 was RM28,000.

INFORMATION, COMMUNICATION AND MONITORING

The Board is provided with timely information on risks and performance through Key Performance Indicators and Key Risk Indicators. Management communicates risk and control responsibilities to employees through regular training programmes, meetings, and internal communications to ensure awareness and accountability at all levels. The Group has also established an independent whistleblowing mechanism and has adequate information systems in place to support risk monitoring and reporting.

On a quarterly basis, Management updates the Board on the Group's actual financial performance. Specific transactions, projects opportunities are also discussed with the Board as and when required. This allows the Board to raise potential new risks that could arise and request Management to mitigate them accordingly.

The Key Management Staff and Head of Departments ("HODs") are delegated with the responsibility of identifying and managing risks related to their respective functions and departments. During the periodic Management meetings, such risk identified and related internal controls are communicated to the Senior Management. In addition, significant risks identified are escalated to the Board during their scheduled meetings.

Ongoing monitoring processes are a key element of the Group's assurance framework. Management provides quarterly updates on the Risk Register to the Board. Internal Audit independently reviews risk identification procedures and control processes implemented by Management, and reports significant findings directly to the Audit Committee. Risk owners are accountable for managing and mitigating risks within their areas and are required to report on their status in the Risk Register. Internal audits are carried out twice a year and cover operational as well as compliance risks. Corrective actions are tracked until closure, and audit findings, together with external audit observations and regulatory feedback, are incorporated into the Group's risk management and internal control reviews.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

ASSURANCE TO THE BOARD

The Board ensures that the SORMIC statement remains accurate, meaningful, and not boilerplate. The statement has been reviewed by the Group's outsourced internal auditors, who are independent of the operations they review, and further validated by the external auditors, who provide an additional layer of independent assurance on the adequacy and effectiveness of the disclosures.

Based on the foregoing, the Board is satisfied that the Group's risk management and internal control system has been adequate and effective throughout the financial year ended 30 June 2025 and up to the date of this statement. The Board remains committed to strengthening the Group's risk management capabilities and internal controls on a continuous basis, in line with evolving business needs, regulatory requirements, and stakeholder expectations.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Annual Report of the Company for the financial year ended 30 June 2025 pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company, in all material respect:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out; or
- b) is factually inaccurate. AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Directors and management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy those problems.

CONCLUSION

On the whole, the Board is satisfied that the process of identifying, evaluating and managing significant risks that may affect achievement of the Group's business objectives is in place to provide reasonable assurance to that effect. It is the Group's positive attitude towards striving for better that drives its desire to ensure that the system of internal control will be enhanced on regular basis as the Group progresses to the next level. The Board and the Management will seek regular assurance on the effectiveness and soundness of the internal control system through appraisals by the internal as well as external auditors.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in accordance with Chapter 9.25 of the MMLR of Bursa Securities as set out in Appendix 9C thereto:

1. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no new corporate proposals announced or completed during the current financial year under review. No new shares were issued, and no proceeds were raised or utilised in relation to any corporate proposals.

The corporate proposals that were announced but not completed during 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 ("**Shares**") ("**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 Securities Commission Malaysia ("**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**").

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.

ADDITIONAL COMPLIANCE INFORMATION

(cont'd)

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.

As at the date of this report, the above Proposals have not been completed and remain pending the approvals of Bursa Malaysia Securities Berhad, the SC and the shareholders of the Company.

2. AUDIT AND NON-AUDIT FEES

During the financial year ended 30 June 2025 (“FYE 2025”), the amount of audit and non-audit fees paid and payable to the external auditors by the Group and the Company respectively were as follows:

		Company (RM)	Group (RM)
	Audit Services Rendered	67,000	210,000
	Non-Audit Services Rendered		
(a)	Review of Statement on Risk Management and Internal Control	8,000	8,000
(b)	Review of Annual Report	5,000	5,000

3. MATERIAL CONTRACTS

During the FYE 2025 and up to the date of this report, the following material contracts (not being contracts entered into in the ordinary course of business) were entered into by the Company and/or its subsidiaries and involved directors and/or major shareholders’ interests:

(i) Proposed Acquisition

ELSB, a wholly-owned subsidiary of the Company, entered into a Conditional Sale and Purchase Agreement with SPASB on 6 March 2025 for the Proposed Acquisition.

The Proposed Acquisition entails the acquisition by ELSB, of the Subject Property 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 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 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.

The above agreements forms part of the Company’s broader Corporate Proposals announced on 6 March 2025 and remain subsisting as at the date of this report, pending approvals from the relevant regulatory authorities.

Save for the above, there were no other material contracts (not being contracts entered into in the ordinary course of business) involving the interests of directors or major shareholders entered into by the Group during the financial year.

4. CONTRACTS RELATING TO LOANS BY THE COMPANY

There were no contracts relating to loans entered by the Group during the FYE 2025 involving Directors, Chief Executive Officer and major shareholders.

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPTs”)

The existing shareholders’ mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature (“Shareholders’ Mandate”) which is necessary for its day-to-day operations shall expire at the conclusion of the forthcoming 21st Annual General Meeting and is subject to renewal by the shareholders at the said AGM.

The aggregate value of transactions conducted pursuant to the Shareholders’ Mandate during the FYE 2025 are as follows:

Transacting Parties in Euro Group	Nature of Transaction	Nature of relationship	Mandated Related Party	Value of Transaction in FYE 2025
Euro Group (Recipient)	Rental of four (4) forklifts Rental of 2 reach trucks	Datin Sri Ong Lely, the Group Managing Director, is also a major shareholder of Euro via her indirect shareholding of 38.45% in Euro. She is the spouse of Dato’ Sri Lim. Dato’ Sri Lim is a director and shareholder of SPPSB with shareholding of 95% in SPPSB.	Supreme Power Performance (M) Sdn Bhd (“SPPSB”) (Provider)	RM214,800
Euro Group (Tenant)	Rental of 1 single-storey detached commercial building with a mezzanine floor on part of land held under PN 54145, Lot 19403 Mukim Cheng Melaka bearing postal address Lot 19403-1, Jalan TTC 1, Kawasan Mukim Cheng, Melaka	Datin Sri Ong Lely, the Group Managing Director, is also a major shareholder of Euro via her indirect shareholdings of 38.45% in Euro. She is the spouse of Dato’ Sri Lim. Dato’ Sri Lim is a director and shareholder of IASB with shareholding of 99% in IASB and the remaining 1% is held by his father, Dato’ Lim Chaw Teng.	Imponotive Auto Sdn Bhd (“IASB”) (Landlord)	RM2,854,055
Euro Group (Tenant)	Rental of 1 block of single-storey factory and 3 blocks of single-storey warehouse on part of that piece of land held under PN 65466, Lot No. 20111, Mukim of Cheng, District of Melaka Tengah, State of Melaka bearing the postal address of Lot No. 19400-1, Jalan TTC 12, Taman Teknologi Cheng 75250 Cheng, Melaka	Datin Sri Ong Lely, the Group Managing Director, is also a major shareholder of Euro via her indirect shareholdings of 38.45% in Euro. She is the spouse of Dato’ Sri Lim. Dato’ Sri Lim is a director and shareholder of SPASB with shareholding of 100% in SPASB.	Supreme Power Auto Sdn. Bhd (“SPASB”) (Landlord)	RM2,981,547

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and the provisions of the Companies Act 2016. The Board is responsible for taking reasonable steps to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company and of their results and cash flows for the financial year ended 30 June 2025. In preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2025, the Board has:

- adopted suitable accounting policies and applied them consistently;
- where applicable, made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been followed; and
- prepared the annual financial statement on a going concern basis.

The Directors have ensured that the Group and Company keep proper accounting and other records that will disclose with reasonable accuracy at any time the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act 2016 and the applicable approved accounting standards.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company to prevent fraud and irregularities.

This Statement was approved by the Board of Directors on 31 October 2025.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

Principal activities

The Company is principally engaged in investment holding. The principal activities and details of the subsidiary companies are set out in Note 7 to the financial statements.

Financial results

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year attributable to : -		
- Owners of the Company	(7,529)	469

Dividends

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The directors do not recommend any final dividend in respect of the financial year ended 30 June 2025.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the financial statements.

Bad and doubtful debts

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for losses on receivables and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

Current assets

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of the current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (cont'd)

Valuation methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist : -

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

Change of circumstances

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

Items of material and unusual nature

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year.

Shares and debentures

The Company did not issue any new shares or debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT

(cont'd)

Directors of the Company

The directors of the Company in office at any time during the financial year until the date of this report are : -

Datin Sri Ong Lely*
Datuk Lim Sze Way
Tan Poh Ling
Lt Gen (R) Dato' Sri Sabri Bin Adam
Datuk Haji Azmi Bin Hussain
Chua Yeow Fatt
Yip Kit Weng
Yong Teck Wee

* Director of the Company and subsidiary companies.

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are : -

Datin Chooi Moi (Appointed on 14 August 2024)
Dato' Lim Chaw Teng (Resigned on 15 August 2024)

Directors' interests

According to the register of directors' shareholdings under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year were as follows : -

	Number of ordinary shares			
	As at 1.7.2024 Unit'000	Bought Unit'000	Sold Unit'000	As at 30.6.2025 Unit'000
Shares in the Company				
<u>Direct interests</u>				
Yong Teck Wee	1,296	-	-	1,296
<u>Indirect interests</u>				
Datin Sri Ong Lely*	1,783	-	-	1,783
Shares in PH Performance (M) Sdn. Bhd.				
<u>Indirect interests</u>				
Datin Sri Ong Lely**	285	-	-	285
Datuk Lim Sze Way**	285	-	-	285
Shares in S.P.A. Furniture (M) Sdn. Bhd.				
<u>Indirect interests</u>				
Datin Sri Ong Lely***	-	508,559	-	508,559

DIRECTORS' REPORT (cont'd)

Directors' interests (Cont'd.)

* *Deemed interest by virtue of the shareholding held by her spouse, namely Dato' Sri Lim Teck Boon, pursuant to Section 59(11)(c) of the Companies Act 2016.*

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

*** *Deemed interest by virtue of her shareholding in S.P.A. Furniture (M) Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 29 to the financial statements.

The details of the remuneration paid to or receivable by the directors of the Group and of the Company in respect of the financial year ended 30 June 2025 were as follows : -

	Group RM'000	Company RM'000
Executive Directors :		
- Salaries	390	-
- Meeting allowance	12	12
- EPF contribution	50	-
- SOCSO contributions	2	-
- Other director related expenses	26	26
	480	38
Non-Executive Directors :		
- Fees	150	150
- Meeting allowance	39	39
	189	189
Total	669	227

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company or any of its subsidiary companies during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company or any of its subsidiary companies by the directors or past directors of the Company during the financial year.

DIRECTORS' REPORT

(cont'd)

Directors' benefits (Cont'd.)

There were no arrangements during and at the end of the financial year, to which the Company or its subsidiary companies is a party, which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Indemnifying Directors, Officers or Auditors

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

Subsequent events

Details of the subsequent events are disclosed in Note 41 to the financial statements.

DIRECTORS' REPORT (cont'd)

Auditors

- a) The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2025 are as follows : -

	Group RM'000	Company RM'000
Auditors' remuneration : -		
- statutory audit	210	67
- non-audit services	13	13
	<u>223</u>	<u>80</u>

- b) The auditors, Kreston John & Gan, Chartered Accountants have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Datin Sri Ong Lely

Datuk Lim Sze Way

Kuala Lumpur,
Date: 31 October 2025

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datin Sri Ong Lely and Datuk Lim Sze Way, being two of the directors of Euro Holdings Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 76 to 154 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30 June 2025 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

Datin Sri Ong Lely

Datuk Lim Sze Way

Kuala Lumpur,
Date: 31 October 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Lim Sew Yang (I/C No.: 691027-10-5618), being the officer primarily responsible for the financial management of Euro Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 154, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovementioned at Kuala Lumpur in
Federal Territory this day of
31 October 2025

Lim Sew Yang

Before me

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EURO HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA, REGISTRATION NO. 200401008055 (646559-T))

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Euro Holdings Berhad, which comprise the statement of financial position as at 30 June 2025 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 76 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* sections of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addresses this matter
Revenue recognition Refer to Note 3(g)(i) – Material accounting policy information and Note 24 – Revenue. Revenue is one of the significant accounts in the financial statements and also an important driver of the Group's operating results. We identified revenue recognition to be an area of audit focus as it is to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.	• Tested the operating effectiveness of the Group's internal controls over timing and amount of revenue recognised; • Inspected the terms of significant sales contracts to determine the point of transfer of control over goods and services; • Inspected the documents which evidenced the delivery of goods and services to customers; and • Tested the sales transactions as well as credit notes issued, near to the financial year end to assess whether the revenue was recognised in the correct financial period.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EURO HOLDINGS BERHAD (cont'd) (INCORPORATED IN MALAYSIA, REGISTRATION NO. 200401008055 (646559-T))

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon which we obtained in prior to the date of this auditor's report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EURO HOLDINGS BERHAD (cont'd)

(INCORPORATED IN MALAYSIA, REGISTRATION NO. 200401008055 (646559-T))

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also : -

- Identify and assess the risk of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EURO HOLDINGS BERHAD (cont'd) (INCORPORATED IN MALAYSIA, REGISTRATION NO. 200401008055 (646559-T))

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd.)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (i) The financial statements of the Group and of the Company for the financial year ended 30 June 2024 were audited by another firm of chartered accountants whose report dated 30 October 2024 expressed an unmodified opinion on those financial statements.
- (ii) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Kreston John & Gan
(AF 0113)
Chartered Accountants

Thien Tze Vui
Approval No: 03653/04/2026 J
Chartered Accountant

Date: 31 October 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		30.6.2025	Group 30.6.2024	1.7.2023	Company 30.6.2025	30.6.2024
	Note	RM'000	RM'000 (Restated)	RM'000 (Restated)	RM'000	RM'000
ASSETS						
Non-Current Assets						
Property, plant and equipment	5	99,159	90,920	92,068	3	4
Right-of-use assets	6	4,640	9,294	13,512	-	-
Investment in subsidiaries	7	-	-	-	60,041	58,006
Total Non-Current Assets		103,799	100,214	105,580	60,044	58,010
Current Assets						
Inventories	8	14,065	34,859	24,459	-	-
Trade receivables	9	24,397	20	-	-	-
Other receivables, deposits and prepayment	10	8,934	2,085	25,469	7,447	243
Current tax assets		356	226	757	311	225
Amount due from subsidiary companies	11	-	-	-	161	-
Amount due from related parties	12	-	1,055	-	-	-
Fixed deposit pledged with a license bank	13	-	6	2,404	-	-
Cash and bank balances	14	52	632	3,363	5	-
		47,804	38,883	56,452	7,924	468
Assets classified as held for sale	15	-	17,300	-	-	-
Total Current Assets		47,804	56,183	56,452	7,924	468
Total Assets		151,603	156,397	162,032	67,968	58,478

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025 (cont'd)

	Note	30.6.2025 RM'000	30.6.2024 RM'000 (Restated)	1.7.2023 RM'000 (Restated)	30.6.2025 RM'000	30.6.2024 RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	16	95,508	95,508	79,281	95,508	95,508
Reserves		5,400	9,570	30,449	(36,964)	(37,433)
Total Equity		<u>100,908</u>	<u>105,078</u>	<u>109,730</u>	<u>58,544</u>	<u>58,075</u>
Non-Current Liabilities						
Loans and borrowings	17	-	-	6,460	-	-
Lease liabilities	18	88	5,172	9,508	-	-
Deferred tax liabilities	19	7,533	8,408	8,201	1	1
Total Non-Current Liabilities		<u>7,621</u>	<u>13,580</u>	<u>24,169</u>	<u>1</u>	<u>1</u>
Current Liabilities						
Trade payables	20	542	3,857	609	-	-
Other payables, deposits and accruals	21	3,389	3,966	3,311	1,196	396
Contract liabilities	22	373	864	1,960	-	-
Amount due to subsidiary companies	11	-	-	-	8,165	-
Amount due to related parties	12	31,549	15,851	6,977	54	-
Amount due to directors	23	17	6	7	8	6
Loans and borrowings	17	723	3,980	10,272	-	-
Lease liabilities	18	5,281	5,287	4,491	-	-
Current tax liabilities		1,200	2,721	506	-	-
		<u>43,074</u>	<u>36,532</u>	<u>28,133</u>	<u>9,423</u>	<u>402</u>
Liabilities classified as held for sale	15	-	1,207	-	-	-
Total Current Liabilities		<u>43,074</u>	<u>37,739</u>	<u>28,133</u>	<u>9,423</u>	<u>402</u>
Total Liabilities		<u>50,695</u>	<u>51,319</u>	<u>52,302</u>	<u>9,424</u>	<u>403</u>
Total Equity and Liabilities		<u>151,603</u>	<u>156,397</u>	<u>162,032</u>	<u>67,968</u>	<u>58,478</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements. Certain comparative amounts have been restated, refer to Note 42 for details.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		30.6.2025 RM'000	30.6.2024 RM'000 (Restated)	30.6.2025 RM'000	30.6.2024 RM'000
Revenue	24	115,054	79,179	-	-
Cost of sales		(109,766)	(76,775)	-	-
Gross profit		<u>5,288</u>	<u>2,404</u>	<u>-</u>	<u>-</u>
Other income	25	819	3,319	4	4
Net reversal of impairment losses on financial assets		199	-	1,231	17,052
Other operating expenses		(1,106)	(6,226)	-	-
General and administrative expenses		(12,440)	(14,052)	(756)	(37,013)
Selling and distribution expenses		(114)	(174)	-	-
(Loss)/Profit from operations		<u>(7,354)</u>	<u>(14,729)</u>	<u>479</u>	<u>(19,957)</u>
Finance costs	26	(757)	(1,955)	-	-
(Loss)/Profit before taxation	27	<u>(8,111)</u>	<u>(16,684)</u>	<u>479</u>	<u>(19,957)</u>
Tax credit/(expense)	30	582	(4,095)	(10)	(376)
(Loss)/Profit for the financial year		<u>(7,529)</u>	<u>(20,779)</u>	<u>469</u>	<u>(20,333)</u>
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment, net of deferred tax	32	2,088	-	-	-
Reversal of deferred tax upon disposal of revalued asset	19	1,271	-	-	-
Derecognised of fair value reserve	33	-	-	-	33,322
Other comprehensive income for the financial year		<u>3,359</u>	<u>-</u>	<u>-</u>	<u>33,322</u>
Total comprehensive (loss)/income for the financial year		<u>(4,170)</u>	<u>(20,779)</u>	<u>469</u>	<u>12,989</u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (cont'd)

		Group		Company	
		30.6.2025	30.6.2024	30.6.2025	30.6.2024
Note		RM'000	RM'000	RM'000	RM'000
			(Restated)		
(Loss)/Profit for the financial year attributable to : -					
- Owners of the Company		(7,529)	(20,743)	469	12,989
- Non-controlling interests		-	(36)	-	-
		<u>(7,529)</u>	<u>(20,779)</u>	<u>469</u>	<u>12,989</u>
Total comprehensive (loss)/income for the financial year attributable to : -					
- Owners of the Company		(4,170)	(20,743)	469	12,989
- Non-controlling interests		-	(36)	-	-
		<u>(4,170)</u>	<u>(20,779)</u>	<u>469</u>	<u>12,989</u>
Losses per share (sen) : -					
Basic and diluted	31	(0.57)	(1.56)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		<-----Non-distributable----->		<Distributable>		Shareholders' equity attributable to the owners of the Company		Non-controlling interest		Total	
Group	Note	Share Capital RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total Equity RM'000	Non-controlling interest RM'000	Total RM'000				
At 30 June 2023											
As previously reported	42	79,281	13,780	(18,060)	75,001	677	75,678				
Prior year adjustment		-	34,052	-	34,052	-	34,052				
Restated balance at 30 June 2023 and 1 July 2023											
		79,281	47,832	(18,060)	109,053	677	109,730				
As previously reported											
Prior year adjustment	42	-	-	(20,218)	(20,218)	(36)	(20,254)				
		-	(441)	(84)	(525)	-	(525)				
Total comprehensive loss for the financial year											
		-	(441)	(20,302)	(20,743)	(36)	(20,779)				
Transactions with owners											
Issuance of share capital	16	16,227	-	-	16,227	-	16,227				
Changes in ownership interests in a subsidiary		-	-	541	541	(641)	(100)				
At 30 June 2024											
		95,508	47,391	(37,821)	105,078	-	105,078				

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (cont'd)

Group	Note	<-----Non-distributable-----> <Distributable>		Shareholders' equity attributable to the owners of the Company		Non-controlling interest	Total
		Share Capital	Revaluation reserve	Accumulated losses	Total Equity		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2024		95,508	47,391	(37,821)	105,078	-	105,078
Loss for the financial year		-	-	(7,529)	(7,529)	-	(7,529)
Revaluation of property, plant and equipment	32	-	2,088	-	2,088	-	2,088
Crystallisation of revaluation reserve		-	(441)	441	-	-	-
Reversal of revaluation reserve upon disposal of revalued asset	32	-	(13,780)	13,780	-	-	-
Reversal of deferred tax upon disposal of revalued asset	19	-	-	1,271	1,271	-	1,271
Total comprehensive loss for the financial year		-	(12,133)	7,963	(4,170)	-	(4,170)
At 30 June 2025		95,508	35,258	(29,858)	100,908	-	100,908

The accompanying accounting policies and explanatory notes form an integral part of the financial statements. Certain comparative amounts have been restated, refer to Note 42 for details.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (cont'd)

Company	Note	<-----Non-distributable----->		<Distributable>	Total RM'000
		Share capital RM'000	Fair value reserve RM'000	Accumulated losses RM'000	
At 1 July 2023		79,281	(33,322)	(17,100)	28,859
Loss for the financial year		-	-	(20,333)	(20,333)
Other comprehensive income for the financial year	33	-	33,322	-	33,322
Total comprehensive income for the financial year		-	33,322	(20,333)	12,989
Transactions with owners					
Issuance of ordinary shares	16	16,227	-	-	16,227
At 30 June 2024		95,508	-	(37,433)	58,075
Total comprehensive income for the financial year		-	-	469	469
At 30 June 2025		95,508	-	(36,964)	58,544

The accompanying accounting policies and explanatory notes form an integral part of the financial statement.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Note	Group		Company	
	30.6.2025 RM'000	30.6.2024 RM'000 (Restated)	30.6.2025 RM'000	30.6.2024 RM'000
Cash flows from operating activities				
(Loss)/Profit before taxation	(8,111)	(16,684)	479	(19,957)
Adjustments for : -				
Bad debts written off	-	2,311	-	33
Property, plant and equipment written off	42	-	-	-
Loss recognised on remeasurement of assets held for sale	-	2,335	-	-
Loss on disposal of other investment	-	-	-	33,291
Depreciation of property, plant and equipment	3,782	5,558	4	4
Depreciation of right-of-use assets	4,877	5,083	-	-
Forfeiture of deposits received	(11)	(254)	-	-
Impairment losses on :				
- investment in subsidiaries	-	-	-	2,786
- slow-moving inventories	-	1,098	-	-
- trade receivables	-	43	-	-
- amount due from subsidiary companies	-	-	(804)	-
Reversal of impairment losses on :				
- investment in subsidiaries	-	-	(2,035)	-
- amount due from subsidiary companies	-	-	-	(17,052)
- trade receivables	(188)	(2,249)	-	-
- other receivables	(11)	-	-	-
Waiver of debts due to :				
- trade payables	(2)	(95)	-	-
- other payables	(16)	-	-	-
Interest expense	757	1,955	-	-
Interest income	-	(35)	-	(2)
Unrealised gain on foreign exchange	-	(32)	-	-
Operating profit/(loss) before working capital	1,119	(966)	(2,356)	(897)
Changes in working capital : -				
Inventories	20,794	(11,499)	-	-
Balance carried forward	21,913	(12,465)	(2,356)	(897)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (cont'd)

Note	Group		Company	
	30.6.2025 RM'000	30.6.2024 RM'000 (Restated)	30.6.2025 RM'000	30.6.2024 RM'000
Balance brought forward	21,913	(12,465)	(2,356)	(897)
Cash flows from operating activities (Cont'd.)				
Changes in working capital : -				
Trade receivables	(24,189)	(21)	-	-
Other receivables, deposits and prepayment	(6,838)	23,322	(7,204)	3,570
Trade payables	(3,313)	3,343	-	-
Other payables, deposits and accruals	(560)	654	800	293
Contract liabilities	(480)	(79)	-	-
Amount due from/(to) subsidiary companies	-	-	8,807	-
Amount due from related parties	16,754	7,820	54	-
Amount due to directors	10	(1)	2	-
Net cash generated from/ (used in) operations	3,297	22,573	103	2,966
Interest paid	(757)	(1,955)	-	-
Interest received	-	35	-	2
Tax refunded	27	81	11	-
Tax paid	(1,175)	(963)	(106)	(112)
Net cash generated from operating activities	1,392	19,771	8	2,856
Cash flows from investing activities				
Purchase of property, plant and equipment	(9,501)	(24,305)	(3)	-
Proceeds from disposal of :				
- assets classified as held for sale	17,300	-	-	-
- other investment	-	-	-	33
Acquisition of additional shares from non-controlling interests	-	(100)	-	(100)
Fixed deposits withdrawal/(pledged) with licensed banks	6	(6)	-	-
Net cash generated from/ (used in) investing activities	7,805	(24,411)	(3)	(67)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (cont'd)

	Note	Group		Company	
		30.6.2025 RM'000	30.6.2024 RM'000 (Restated)	30.6.2025 RM'000	30.6.2024 RM'000
Cash flows from financing activities					
Issuance of share capital	16	-	16,227	-	16,227
Drawdown of borrowings		-	3,967	-	-
Repayment of borrowings		(3,257)	(7,329)	-	-
Advance from :					
- subsidiary companies		-	-	-	(22,211)
- related parties		-	(772)	-	623
- directors		-	-	-	(1)
Payment of lease liabilities	34	(5,313)	(4,404)	-	-
Net cash (used in)/generated from financing activities		(8,570)	7,689	-	(5,362)
Net increase/(decrease) in cash and cash equivalents		627	3,049	5	(2,573)
Cash and cash equivalents at the beginning of the financial year		(575)	(3,624)	-	2,573
Cash and cash equivalents at the end of the financial year		52	(575)	5	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (cont'd)

A. Cash and cash equivalents

Cash and cash equivalents comprise the followings : -

	Note	Group		Company	
		30.6.2025 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	30.6.2024 RM'000
Cash and bank balances	14	52	632	5	-
Fixed deposit pledged with licensed banks	13	-	6	-	-
		<u>52</u>	<u>638</u>	<u>5</u>	<u>-</u>
Less :					
- Fixed deposit pledged with licensed banks	13	-	(6)	-	-
- Liabilities classified as held for sale	15	-	(1,207)	-	-
		<u>52</u>	<u>(575)</u>	<u>5</u>	<u>-</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statement.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025

1. General information

Euro Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The addresses of the principal place of business and registered office of the Company are as follows : -

Principal place of business : Menara Euro
Lot 20111, Jalan TTC12
Kawasan Perindustrian Cheng Mukim Cheng
Daerah Melaka Tengah
75250 Melaka.

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

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2025 comprise the Company and its subsidiary companies (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 30 June 2025 do not included other entities.

The Company is principally engaged in the business of investment holding. The principal activities and details of its subsidiary companies are disclosed in Note 7 to the financial statements

These financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 October 2025.

2. Basis of preparation

a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

b) Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year : -

Amendments to MFRSs

MFRS 7	Financial Instruments : Disclosures
MFRS 16	Leases – Lease Liability in a Sale and Leaseback
MFRS 101	Presentation of Financial Statements
MFRS 101	Non-Current Liabilities with Covenants
MFRS 107	Statement of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

2. Basis of preparation (Cont'd.)

c) New MFRS and amendments to MFRSs that have been issued, but yet to be effective

- i) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued but yet to be effective : -

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability : Disclosures	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments : Disclosure	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 128	Investment in Associates and Joint Ventures	Deferred

- ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statement

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosures of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measure (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

2. Basis of preparation (Cont'd.)

c) New MFRS and amendments to MFRSs that have been issued, but yet to be effective (Cont'd.)

- ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. (Cont'd.)

MFRS 18 Presentation and Disclosure in Financial Statement (Cont'd.)

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs if inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including : -

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Amendments to MFRS 101 Presentation to Financial Statements

The amendments include specifying that an entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

2. Basis of preparation (Cont'd.)

c) New MFRS and amendments to MFRSs that have been issued, but yet to be effective (Cont'd.)

- ii) The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendment to MFRSs that may be applicable to the Company are summarised below. (Cont'd.)

Amendments to MFRS 101 Presentation to Financial Statements (Cont'd.)

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about the covenants in the notes to the financial statements.

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangement – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effect supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

- iii) The Group and the Company are currently performing analysis to quantify the financial effects arising from adoption of the new MFRS and amendments/improvements to MFRSs.

d) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

e) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise disclosed.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

3. Material accounting policy information

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

a) Basis of consolidation

i) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

ii) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

b) Separate financial statements

In the Company's statement of financial position, investment in subsidiary companies is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Contributions to subsidiary companies are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future are, in substance, considered as part of the Company's investment in the subsidiary companies.

c) Financial instruments

On initial recognition, all financial assets and financial liabilities are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expected to profit or loss when incurred.

Financial assets – subsequent measurements and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and losses

The Group and the Company classified the financial liabilities at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

3. Material accounting policy information (Cont'd.)

c) Financial instruments (Cont'd.)

Financial liabilities – subsequent measurements and gains and losses (Cont'd.)

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

d) Property, plant and equipment

Property, plant and equipment (other than freehold land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and factory building are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

All other plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Useful lives (years)

Factory building	50
Computers	5 - 8
Electrical installation	8
Furniture and fittings	6 - 7
Motor vehicles	5
Moulds	5
Office equipment	2 - 10
Plant and machineries	10
Renovation	6
Signboards	10

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

3. Material accounting policy information (Cont'd.)

e) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

f) Leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

i) Lessee accounting

The Group present rights-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use assets

The right-of-use are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of lease.

g) Revenue and other income

i) Revenue from contract with customers

The Group is in the business of manufacturing and trading of office furniture as well as trading of steel.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

3. Material accounting policy information (Cont'd.)

g) Revenue and other income (Cont'd.)

i) Revenue from contract with customers (Cont'd.)

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or overtime.

The following describes the performance obligation in contracts with customers : -

Manufacturing of furniture and trading of steel

For the manufacturing of furniture and trading of steel, the contracts with customers are bundled and consist of obligations for the sales of furniture and steel and delivery of the said furniture and steel to its customers, whereby in some instances it will be delivered to foreign port for overseas customers.

Contracts for bundled services are comprised of multiple performance obligations (PO) and are capable of being distinct and separately identifiable. However, the management has assessed that the delivery obligation is primarily a value-added fulfilment service and is not considered to be a significant distinct PO. Accordingly, the contract with customers is considered as a single PO and is satisfied at point in time basis.

Revenue from the sale of furniture and trading of steel are recognised when the control of the goods has been transferred to the customers (i.e. delivery of goods or cash and carry basis), or performance of services, net of sales and service tax and discounts.

i) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

ii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

4. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows : -

a) Revaluation of property, plant and equipment

The Group carries its land and buildings at revaluation model, with changes in fair value being recognised in other comprehensive income. Significant judgement is required in the determination of fair value which may be derived based on different valuation method. In making this judgement, the Group evaluate based on past experience and reliance on the work of specialists.

Information regarding the valuation techniques and inputs used in determining fair value is disclosed in Note 5 to the financial statements.

b) Impairment of financial assets

The impairment provisions for financial assets is based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. The Group's and Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets is disclosed in Note 37 to the financial statements.

c) Depreciation and useful lives of property, plant and equipment

The Group and the Company review the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

4. Significant accounting judgements, estimates and assumptions (Cont'd.)

d) Write-down of slow-moving inventories

The Group write down their slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgment to evaluate the adequacy of the write-down of slow-moving inventories. Where expectations differ from the original estimates, the difference will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 8 to the financial statements.

e) Income tax expense

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense is disclosed in Note 30 to the financial statements.

f) Discount rates used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

5. Property, plant and equipment

Group	<-----At Valuation----->				-----At Cost----->				Total RM'000	
	Factory buildings RM'000	Freehold land RM'000	Factory buildings RM'000	Freehold land RM'000	Office equipment and computers RM'000	Electrical installation, renovation, signboard, furniture and fittings RM'000	Machinery in progress RM'000	Motor vehicles RM'000		Mould, plant and machineries RM'000
At cost/valuation										
At 1 July 2023										
As previously reported	12,121	11,000	30,846	4,833	4,546	2,449	-	2,222	46,716	114,733
Reclassification	30,846	4,833	(30,846)	(4,833)	-	-	-	-	-	-
Prior year adjustment	10,154	22,167	-	-	-	-	-	-	-	32,321
As restated	53,121	38,000	-	-	4,546	2,449	-	2,222	46,716	147,054
Addition	-	-	-	-	143	5	17,412	-	6,745	24,305
Transfer to assets held for sale	(12,121)	(11,000)	-	-	-	-	-	-	-	(23,121)
Disposal	-	-	-	-	(594)	-	-	-	-	(594)
Written off	-	-	-	-	(3,305)	(2,261)	-	(405)	(18,319)	(24,290)
At 30 June 2024	41,000	27,000	-	-	790	193	17,412	1,817	35,142	123,354
Addition	-	-	-	-	66	16	7,425	-	1,994	9,501
Reclassification	(2,562)	-	-	-	-	-	-	-	-	(2,562)
Disposal	-	-	-	-	-	-	-	(109)	-	(109)
Written off	-	-	-	-	(644)	(129)	-	-	(24,464)	(25,237)
Revaluation	1,562	1,000	-	-	-	-	-	-	-	2,562
At 30 June 2025	40,000	28,000	-	-	212	80	24,837	1,708	12,672	107,509

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

5. Property, plant and equipment (Cont'd.)

Group	At Valuation----->		At Cost----->							Total RM'000
	Factory buildings RM'000	Freehold land RM'000	Factory buildings RM'000	Freehold land RM'000	Office equipment and computers RM'000	Electrical installation, renovation, signboard, furniture and fittings RM'000	Machinery in progress RM'000	Motor vehicles RM'000	Mould, Plant and machineries RM'000	
Accumulated depreciation										
At 1 July 2023										
As previously reported	3,121	-	8,401	-	4,462	2,401	-	2,222	42,780	63,387
Reclassification	8,401	-	(8,401)	-	-	-	-	-	-	-
Prior year adjustment	(8,401)	-	-	-	-	-	-	-	-	(8,401)
As restated	3,121	-	-	-	4,462	2,401	-	2,222	42,780	54,986
Charge for the financial year										
As previously reported	722	-	-	-	47	21	-	-	4,104	4,894
Prior year adjustment	664	-	-	-	-	-	-	-	-	664
As restated	1,386	-	-	-	47	21	-	-	4,104	5,558
Written off	-	-	-	-	(3,899)	(2,261)	-	(405)	(18,319)	(24,884)
Transfer to assets held for sale	(3,226)	-	-	-	-	-	-	-	-	(3,226)
At 30 June 2024	1,281	-	-	-	610	161	-	1,817	28,565	32,434
Charge for the financial year	1,281	-	-	-	58	21	-	-	2,422	3,782
Reclassification	(2,562)	-	-	-	-	-	-	-	-	(2,562)
Disposals	-	-	-	-	-	-	-	(109)	-	(109)
Written off	-	-	-	-	(615)	(123)	-	-	(24,457)	(25,195)
At 30 June 2025	-	-	-	-	53	59	-	1,708	6,530	8,350

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2025 (cont'd)

5. Property, plant and equipment (Cont'd.)

Group	<-----At Valuation----->		-----At Cost----->							
	Factory buildings RM'000	Freehold land RM'000	Factory buildings RM'000	Freehold land RM'000	Office equipment and computers RM'000	Electrical installation, renovation, signboard, furniture and fittings RM'000	Machinery in progress RM'000	Motor vehicles RM'000	Mould, Plant and machineries RM'000	Total RM'000
Net carrying amount										
At 1 July 2023	50,000	38,000	-	-	84	48	-	-	3,936	92,068
At 30 June 2024	39,719	27,000	-	-	180	32	17,412	-	6,577	90,920
At 30 June 2025	40,000	28,000	-	-	159	21	24,837	-	6,142	99,159

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

5. Property, plant and equipment (Cont'd.)

	Signboard RM'000	Computers RM'000	Total RM'000
Company			
Cost			
At 1 July 2023/ 30 June 2024	35	-	35
Additions	-	3	3
At 30 June 2025	35	3	38
Accumulated depreciation			
At 1 July 2023	28	-	28
Charge for the financial year	3	-	3
At 30 June 2024	31	-	31
Charge for the financial year	4	-	4
At 30 June 2025	35	-	35
Net carrying amount			
At 1 July 2023	7	-	7
At 30 June 2024	4	-	4
At 30 June 2025	-	3	3

- (a) The net carrying amount of the property, plant and equipment pledged for bank facilities as disclosed in Note 17 to the financial statements are as follows : -

	30.6.2025 RM'000	Group 30.6.2024 RM'000 (Restated)	1.7.2023 RM'000 (Restated)
Factory buildings, at valuation	40,000	39,719	50,000
Freehold land, at valuation	28,000	27,000	38,000
	68,000	66,719	88,000

Freehold land and factory buildings at valuation are categorised as Level 2 fair value.

Level 2 Fair Value

Level 2 fair value of freehold land and factory buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

6. Right-of-use assets

The Group has a lease contract for warehouse and office. The Group's obligations under this lease are secured by the lessor's title to the leased asset. The Group is restricted from assigning and subleasing the leased assets.

(a) Carrying amount of right-of-use assets recognised and the movement during the financial year.

	Warehouse RM'000	Office RM'000	Total RM'000
Group			
Cost			
At 1 July 2023	18,531	-	18,531
Modification	865	-	865
At 30 June 2024	19,396	-	19,396
Additions	-	223	223
At 30 June 2025	19,396	223	19,619
Accumulated depreciation			
At 1 July 2023	5,019	-	5,019
Charge for the financial year	5,083	-	5,083
At 30 June 2024	10,102	-	10,102
Charge for the financial year	4,849	28	4,877
As at 30 June 2025	14,951	28	14,979
Net carrying amount			
At 30 June 2024	9,294	-	9,294
At 30 June 2025	4,445	195	4,640

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

7. Investment in subsidiaries

	Company	
	30.6.2025	30.6.2024
	RM'000	RM'000
Unquoted shares in Malaysia - at cost		
At the beginning of the financial year	24,048	23,948
Additions	-	100
Loans that are part of net investment	54,230	54,230
	<u>78,278</u>	<u>78,278</u>
Less: Accumulated impairment losses of investment in subsidiaries	(18,237)	(20,272)
At the end of the financial year	<u>60,041</u>	<u>58,006</u>

Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat this amount as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss.

(a) Details of the subsidiaries are as follows : -

Name	Principal activities	Country of incorporation	Proportion of ownership	
			30.6.2025	30.6.2024
			%	%
<i>Held by the Company</i>				
Euro Chairs Manufacturer (M) Sdn. Bhd. ("ECM")	Manufacturing and marketing of furniture	Malaysia	100	100
Euro Hartanah (M) Sdn. Bhd. ("EHM") (previously known as Euro Chairs System Sdn. Bhd.)	Trading of furniture, furnishing fabric materials and other furniture components; Buying, selling, renting and operating of self-owned or leased real estate of non-residential buildings and land	Malaysia	100	100
Eurosteel System Sdn. Bhd. ("ES")	Trading of storages and steel furniture	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

7. Investment in subsidiaries (Cont'd)

(a) Details of the subsidiaries are as follows : - (Cont'd.)

Name	Principal activities	Country of incorporation	Proportion of ownership	
			30.6.2025 %	30.6.2024 %
Euro Space Industries (M) Sdn. Bhd. ("ESI")	Manufacturing and trading of office furniture, partitions, chairs and panels	Malaysia	100	100
Euro Space System Sdn. Bhd. ("ESS")	Trading of office furniture	Malaysia	100	100
Eurosteel Line Sdn. Bhd. ("ESL")	Trading of steel products	Malaysia	100	100
Euro Chairs (M) Sdn. Bhd. ("ECSB")	Holds the industrial designs and trademarks of the Group	Malaysia	100	100

(b) Effect of a change in stake

On 6 February 2024, the Company purchased an additional 24.24% equity interest (representing 80,000 ordinary shares) in Eurosteel System Sdn. Bhd., a subsidiary of the Group, at a price of RM1.25 per share. The Company's effective ownership in Eurosteel System Sdn. Bhd. increased from 75.76% to 100% as a result of the additional shares purchased. The increase in equity interest is treated as a change in stake.

The effect of the increase in the Company's ownership in the subsidiary is as follows : -

	Company	
	30.6.2025 RM'000	30.6.2024 RM'000
Cost of investment (Cash consideration paid)	-	100
Increase in share of net assets	-	(641)
Excess charged directly to equity	-	(541)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

7. Investment in subsidiaries (Cont'd)

(c) The reconciliation of impairment losses of investment in subsidiaries are as follows : -

	Company	
	30.6.2025	30.6.2024
	RM'000	RM'000
At the beginning of the financial year	20,272	17,486
Add : Impairment losses of investment in subsidiary companies	-	2,786
Less : Reversal of impairment losses of investment in subsidiary companies	(2,035)	-
At the end of the financial year	<u>18,237</u>	<u>20,272</u>

(d) Non-controlling interest in subsidiary

The subsidiary of the Company that has non-controlling interest ("NCI") is as follows : -

	Eurosteel System Sdn. Bhd.	
	30.6.2025	30.6.2024
	RM'000	RM'000
NCI percentage of ownership and voting interest	0%	0%
Carrying amount	-	-
Loss representing total comprehensive loss allocated to NCI	-	(36)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

8. Inventories

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
At costs : -		
- Trading goods	14,065	25,322
- Raw material	-	8,397
- Work-in-progress	-	1,590
- Finished goods	-	997
	<u>14,065</u>	<u>36,306</u>
Less : Provision for slow-moving inventories	-	(1,447)
	<u>14,065</u>	<u>34,859</u>
Recognised in profit or loss :-		
- Inventories recognised as cost of sales	109,758	76,821
- Inventories recognised as expenses	9,537	-

The movement in the provision of slow-moving inventories are as follows : -

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
At the beginning of the financial year	1,447	349
Additions during the financial year	-	1,098
Written down of inventories	(1,447)	-
At the end of the financial year	<u>-</u>	<u>1,447</u>

9. Trade receivables

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Trade receivables	26,832	2,643
Less : Accumulated impairment losses (Note 37(b)(i))	(2,435)	(2,623)
	<u>24,397</u>	<u>20</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

9. Trade receivables (Cont'd.)

The movement in accumulated impairment losses of trade receivables of the Group during the financial year are as follows : -

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
At the beginning of the financial year	2,623	9,210
Add: Impairment losses of trade receivables	-	43
Less: Reversal of impairment losses of trade receivables	(188)	(6,630)
At the end of the financial year	<u>2,435</u>	<u>2,623</u>

Trade receivables are denominated in the following currencies : -

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Ringgit Malaysia	25,828	1,451
Singapore Dollar	208	208
United States Dollar	796	984
	<u>26,832</u>	<u>2,643</u>

The trade receivables are non-interest bearing and normal credit term of trade receivables range from 30 to 90 days (30.6.2024 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

10. Other receivables, deposits and prepayments

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Other receivables	6,882	471	6,679	241
Less : Accumulated impairment losses	(99)	(109)	-	-
	<u>6,783</u>	<u>362</u>	<u>6,679</u>	<u>241</u>
Deposits	1,380	1,720	-	-
Prepayments	771	3	768	2
	<u>8,934</u>	<u>2,085</u>	<u>7,447</u>	<u>243</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

10. Other receivables, deposits and prepayments (Cont'd.)

The movement in accumulated impairment losses of other receivables of the Group and the Company during the financial year was as follows : -

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
At the beginning of the financial year	110	109	-	-
Less: Reversal of impairment losses of other receivables	(11)	-	-	-
At the end of the financial year	99	109	-	-

11. Amount due from/(to) subsidiary companies

	Company	
	30.6.2025	30.6.2024
	RM'000	RM'000
Amount due from subsidiary companies		
Non-trade	965	-
Less : Accumulated impairment losses	(804)	-
	161	-

The movement in accumulated impairment losses of amount due from subsidiary companies during the financial year are as follows : -

	Company	
	30.6.2025	30.6.2024
	RM'000	RM'000
At the beginning of the financial year	-	54,230
Add: Impairment losses of amount due from subsidiary companies	804	-
Less : Capital contribution reserve	-	(54,230)
At the end of the financial year	804	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

11. Amount due from/(to) subsidiary companies (Cont'd.)

	Company	
	30.6.2025	30.6.2024
	RM'000	RM'000
Amount due to subsidiary companies		
Non-trade	(8,165)	-

Amount due from/(to) subsidiary companies are non-trade in respect of advances and payments made on behalf, are unsecured, interest-free and settlement is expected to be made in cash.

12. Amount due from/(to) related parties

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Amount due from related parties				
Non-trade	-	1,055	-	-
Amount due to related parties				
Non-trade	(31,549)	(15,851)	(54)	-

Amount due from/(to) related parties are non-trade in respect of advances and payments made on behalf, are unsecured, interest-free and repayable on demand by cash and cash equivalents.

13. Fixed deposits with licensed banks

The fixed deposits with licensed banks of the Group amounted to RM Nil (30.6.2024: RM6,000) bear effective interest rates at Nil (30.6.2024: 3.16%) per annum.

14. Cash and bank balances

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Cash in hand	10	10	-	-
Cash at banks	42	622	5	-
	52	632	5	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

14. Cash and bank balances (Cont'd.)

Cash and bank balances are denominated in the following currencies : -

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	38	619	5	-
Euro Dollar	7	7	-	-
Singapore Dollar	2	2	-	-
United States Dollar	5	4	-	-
	<u>52</u>	<u>632</u>	<u>5</u>	<u>-</u>

15. Assets/Liabilities classified as held for sale

On 7 June 2024, the Board of Directors of a subsidiary company approved and announced a plan to sell a piece of industrial land with buildings thereon, held under GRN 86293, Lot 178 Seksyen 19, Bandar Rawang, Daerah Gombak, Selangor including a double-storey detached factory. The assets and liabilities have been presented as held for sale. The transfer of the property title was been completed on 1 October 2024.

(a) Assets classified as held for sale

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Factory building, at fair value	-	7,165
Freehold land, at fair value	-	10,135
	<u>-</u>	<u>17,300</u>

(b) Liabilities classified as held for sale

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Bank overdraft	-	(1,207)

In accordance with MFRS 5, the assets held for sale and related liabilities of the above disposal property, plant and equipment in a subsidiary company had been written down to their fair value for a total consideration of RM17,300,000.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

16. Share capital

	Group and Company			
	Number of ordinary shares		Amount	
	30.6.2025 Unit'000	30.6.2024 Unit'000	30.6.2025 RM'000	30.6.2024 RM'000
<u>Issued and fully paid</u> <u>(no par value) :</u>				
At the beginning of the financial year	1,327,967	1,063,397	95,508	79,281
Issued during the financial year	-	264,570	-	16,227
At the end of the financial year	1,327,967	1,327,967	95,508	95,508

In the previous financial year, the Company increased its issued and paid-up ordinary shares from 1,063,397,100 units to 1,327,967,100 units by way of the following : -

- On 26 September 2023, issued 220,475,000 new ordinary shares through private placement at an issue price of RM0.065 per ordinary share for working capital purposes.
- On 2 April 2024, issued 44,095,000 new ordinary shares through private placement at an issue price of RM0.043 per ordinary share for working capital purposes.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

17. Loans and borrowings

	Group	
	30.6.2025 RM'000	30.6.2024 RM'000
Non-Current Liabilities		
<u>Secured</u>		
Term loans	-	-
Current Liabilities		
<u>Secured</u>		
Term loans	723	3,980
Total loans and borrowings	723	3,980

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

17. Loans and borrowings (Cont'd.)

The effective interest rates for the Group is as follows : -

	Group	
	30.6.2025	30.6.2024
	%	%
Term loan 1	-	7.89
Term loan 2	-	6.50
Term loan 3	8.45	8.45
Term loan 4	8.45	8.45

The term loan 1, 2, 3 and 4 were secured by the followings : -

- a) corporate guarantee by the Company; and
- b) personal guarantee by former director of the Company, Dato' Sri Lim Teck Boon.

Term loan 1 and 2 were fully settled on 2 August 2023 and 14 July 2023 respectively.

On 30 September 2025, both the corporate guarantee and personal guarantee were cancelled and revoked by the bank following the full settlement of the term loan 3 and 4.

The term loans of the subsidiary company were secured by a charge over the freehold land and factory buildings as disclosed in Note 5 to the financial statements and secured by personal guarantee by the former director of the Company.

18. Lease liabilities

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
At the beginning of the financial year	10,459	13,999
Additions	223	-
Modification	-	864
Accretion of interest	552	946
Repayment of principal	(5,313)	(4,404)
Repayment of interest expenses	(552)	(946)
At the end of the financial year	5,369	10,459

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

18. Lease liabilities (Cont'd.)

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Minimum lease payments : -		
- not later than one year	5,469	5,836
- later than one year and not later than five years	90	5,350
	<u>5,559</u>	<u>11,186</u>
Less: Future interest charges	(190)	(727)
Present value of lease liabilities	<u>5,369</u>	<u>10,459</u>
Repayable as follows : -		
Non-Current Liabilities		
- later than one year and not later than five years	88	5,172
- later than five years	-	-
	<u>88</u>	<u>5,172</u>
Current liabilities		
- not later than one year	5,281	5,287
	<u>5,369</u>	<u>10,459</u>
	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Amount recognised in profit or loss		
Depreciation of right-of-use assets	4,877	5,083
Interest expense on lease liabilities	552	946
Lease expenses not capitalised in lease liabilities		
- Expenses relating to short-term leases (included in cost of sales and other expenses)	222	185
- Expenses relating to leases of low-value assets (included in other expenses)	7	9
Total amount recognised in profit or loss	<u>5,658</u>	<u>6,223</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

19. Deferred tax liabilities

		Group		Company	
	30.6.2025	30.6.2024	1.7.2023	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
		(Restated)	(Restated)		
At the beginning of the financial year	8,408	8,201	-	1	-
Revaluation of property, plant and equipment	475	(258)	8,201	-	-
Recognised in profit or loss	(79)	465	-	-	1
Recognised in other comprehensive income	(1,271)	-	-	-	-
At the end of the financial year	7,533	8,408	8,201	1	1

The components of deferred tax liabilities during the financial year are as follows : -

		Group		Company	
	30.6.2025	30.6.2024	1.7.2023	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
		(Restated)	(Restated)		
Revaluation surplus on property, plant and equipment	7,611	7,943	8,201	-	-
Property, plant and equipment	(78)	465	-	1	1
	7,533	8,408	8,201	1	1

20. Trade payables

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Third parties	542	3,857

Trade payables are non-interest bearing and normal credit term of trade payables range from 30 to 90 days (30.6.2024 - 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

21. Other payables, deposits and accruals

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Other payables	2,515	1,616	1,093	1
Accruals	681	959	103	395
Deposits received	193	1,391	-	-
	<u>3,389</u>	<u>3,966</u>	<u>1,196</u>	<u>396</u>

The other payables are non-interest bearing and normal credit term of other payables range from 30 to 90 days (30.6.2024 – 30 to 90 days).

22. Contract liabilities

Manufacturing and trading of furniture

Contract liabilities primarily relate to advance payment or deposit received from customers of which the performance obligation has yet to be satisfied by the Group and are expected to be recognised as revenue in the subsequent financial year.

The movement in the contract liabilities is shown as follows : -

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
At the beginning of the financial year	864	1,960
Additions	-	9
Recognised as revenue during the financial year	(480)	-
Deposits forfeited during the financial year	(11)	(254)
Payment on behalf of related parties	-	(79)
Reclassification to related parties	-	(772)
	<u>373</u>	<u>864</u>

Contract liabilities are denominated in the following currencies : -

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Ringgit Malaysia	21	11
United States Dollar	352	850
Euro Dollar	-	3
	<u>373</u>	<u>864</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

23. Amount due to directors

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Non-trade	17	6	8	6

Amount due to directors are non-trade in respect of advances and payments made on behalf, are unsecured, interest-free and settlement is expected to be made in cash.

24. Revenue

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Revenue from contracts with customers		
Trading of steel and furniture	114,996	79,179
Manufacturing of furniture	58	-
	<u>115,054</u>	<u>79,179</u>
Primary geographical markets		
Malaysia	<u>115,054</u>	<u>79,179</u>
Timing of revenue recognition		
At a point in time	<u>115,054</u>	<u>79,179</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

25. Other income

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Other income	87	9	4	2
Interest income	-	35	-	2
Lease income	360	588	-	-
Sundry income	20	-	-	-
Utilities income	55	-	-	-
Gain on disposal of inventories	202	-	-	-
Gain on disposal of other investment	-	55	-	-
Gain on termination of right-of-use asset	37	-	-	-
Unrealised gain on foreign exchange	29	34	-	-
Reversal of impairment loss on investment in subsidiaries	-	-	2,035	-
Reversal of impairment loss on trade receivables	188	2,249	-	-
Reversal of impairment loss on other receivables	11	-	-	-
Reversal of impairment loss on amount due from subsidiary companies	-	-	-	17,052
Waiver of debts due to trade payables	2	95	-	-
Waiver of debts due to other payables	16	-	-	-
Deposit forfeited during the financial year	11	254	-	-
	<u>1,018</u>	<u>3,319</u>	<u>2,039</u>	<u>17,056</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

26. Finance costs

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Interest expense on :		
- Bank overdraft	10	644
- Commitment fees	-	1
Loan interest on :		
- Amount due to related party	-	6
Late payment interest	4	-
Term loan interest	191	359
Lease liabilities interest	552	945
	<u>757</u>	<u>1,955</u>

27. (Loss)/Profit before taxation

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
This is arrived at after charging : -				
Auditors' remuneration	223	215	80	95
Bad debt written off	-	2,311	-	33
Property, plant and equipment written off	42	-	-	-
Depreciation of property, plant and equipment	3,782	5,558	4	3
Depreciation of right-of-use	4,877	5,083	-	-
Directors' remuneration	669	801	227	186
Employee benefits expense	2,345	1,158	4	5
Impairment loss on :				
- slow-moving inventories	-	1,098	-	-
- trade receivables	-	43	-	-
- amount due from subsidiaries companies	-	-	804	-
- investment in subsidiaries	-	-	-	2,786

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

27. (Loss)/Profit before taxation (Cont'd.)

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
This is arrived at after charging : - (Cont'd.)				
Finance costs	757	1,955	-	-
Lease of low-value assets :				
- management system	-	2	-	-
- photostat machine	7	7	-	-
Short term leases :				
- forklift	222	227	-	-
- staff quarters - overprovision	-	(42)	-	-
Loss on disposal of other investments	-	-	-	33,291
Loss recognised on remeasurement of assets held for sale	-	2,335	-	-
Realised loss on foreign exchange	-	1	-	-
Unrealised loss on foreign exchange	-	2	-	-

28. Employee benefits expense

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Salaries, wages and bonus	2,108	1,178	-	-
Employees Provident Fund	198	118	-	-
Social Security Cost	15	6	-	-
Other staff related expenses	24	(144)	4	5
	2,345	1,158	4	5

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

29. Directors' remuneration

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Directors' fee	150	150	150	150
Directors' salaries, bonuses and allowances	390	595	-	36
Employees Provident Fund	50	54	-	-
Social Security Cost	2	2	-	-
Others director related expenses	77	-	77	-
	<u>669</u>	<u>801</u>	<u>227</u>	<u>186</u>

30. Tax (credit)/expense

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000 (Restated)	RM'000	RM'000
Income tax				
- current year	323	2,631	-	1
- (over)/under provision in prior financial year	(2,464)	585	10	375
Deferred tax				
- current year	(139)	(705)	-	(1)
- relating to origination and reversal of temporary differences	40	-	-	-
- under provision in prior financial year	21	1,170	-	1
Real property gain tax				
- current year	694	414	-	-
- under provision in prior financial year	943	-	-	-
	<u>(582)</u>	<u>4,095</u>	<u>10</u>	<u>376</u>

Income tax is calculated at the Malaysian statutory tax rates of 24% (30.6.2024 – 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

30. Tax (credit)/expense (Cont'd.)

The reconciliation of income tax (credit)/expense applicable to loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows :-

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
(Loss)/Profit before taxation	(8,111)	(16,684)	479	(19,957)
Taxation at statutory income tax rate of 24% (30.6.2024 - 24%)	(1,947)	(4,004)	115	(4,790)
Non-taxable income	(18)	(7,118)	(489)	(4,092)
Non-allowable expenses	291	11,273	373	8,882
(Over)/under provision of taxation in prior financial year	(2,464)	585	10	375
(Over)/under provision of deferred tax liabilities in prior financial year	22	1,170	-	1
Utilisation of deferred tax assets not recognised in prior financial year	(1,375)	(333)	1	-
Deferred tax assets not recognised during the financial year	3,273	2,108	-	-
Change in real property gain tax rate on freehold land and factory building	1,636	414	-	-
	<u>(582)</u>	<u>4,095</u>	<u>10</u>	<u>376</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

30. Tax (credit)/expense (Cont'd.)

As at 30 June 2025, the Group have the following temporary differences which are not recognised as deferred tax assets in the financial statements as it is not probable that future taxable income will be available to allow the assets to be utilised : -

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
		(Restated)
Unabsorbed capital allowance	2,058	5,087
Unutilised tax losses : -		
- Expires YA 2028	158	158
- Expires YA 2029	975	975
- Expires YA 2030	2,475	4,105
- Expires YA 2031	4,547	4,604
- Expires YA 2032	5,003	5,151
- Expires YA 2033	6,742	6,742
- Expires YA 2035	5,956	-
Unutilised reinvestment allowances	9,510	9,510
Other temporary differences	27,411	27,366
	<u>64,835</u>	<u>63,698</u>

31. Losses per share

(a) Basic loss per share

Basic loss per ordinary share for the financial year/period is calculated by dividing the loss after tax attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Loss for the financial year attributable to owners of the Company (RM'000)	<u>(7,529)</u>	<u>(20,779)</u>
Weighted average number of ordinary shares in issues (unit'000)	<u>1,327,967</u>	<u>1,327,967</u>
Losses per shares (sen)	<u>(0.57)</u>	<u>(1.56)</u>

(b) Diluted loss per share

The Group has no dilution in its loss per ordinary share as there were no potential dilutive ordinary shares outstandings as at 30 June 2025 and 30 June 2024 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

32. Revaluation reserve

	30.6.2025 RM'000	Group 30.6.2024 RM'000 (Restated)	1.7.2023 RM'000 (Restated)
At the beginning of the financial year	47,391	47,832	-
Disposal of freehold land and factory building	(13,780)	-	-
Transfer to retained earnings upon realisation	(441)	(441)	-
Surplus on revaluation arising from and factory building	2,088	-	47,832
At the end of the financial year	35,258	47,391	47,832

33. Fair value reserve

	Company	
	30.6.2025 RM'000	30.6.2024 RM'000
<u>Fair value reserve</u>		
At the beginning of the financial year	-	(33,322)
Less : Derecognised of fair value	-	33,322
At the end of the financial year	-	-

The fair value reserve of the Group comprises the cumulative net change in the fair value of equity instrument designated at FVOCI (preference shares) until the asset is derecognised or disposed.

The creation of reserve of the Group represents the share of fair value loss by non-controlling interest for investment in one of the Company's subsidiaries.

The fair value reserve of the Company comprises the cumulative net change in the fair value of equity instrument designated at FVOCI until the asset is derecognised or disposed.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

34. Changes in liabilities arising from financing activities

- (a) The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes as follows : -

Group	At the beginning of the financial year RM'000	Net change from financing cash flows RM'000	Acquisition/ Modification of new lease/ financing RM'000	At the end of the financial year RM'000
30 June 2025				
Term loans	3,980	(3,257)	-	723
Lease liabilities	10,459	(5,313)	223	5,369
	<u>14,439</u>	<u>(8,570)</u>	<u>223</u>	<u>6,092</u>
30 June 2024				
Bank overdraft	6,303	(6,303)	-	-
Term loans	7,341	(7,329)	3,968	3,980
Lease liabilities	13,999	(4,404)	864	10,459
	<u>27,643</u>	<u>(18,036)</u>	<u>4,832</u>	<u>14,439</u>

- (b) Cash outflows for lease as a lessee : -

	Group	
	30.6.2025 RM'000	30.6.2024 RM'000
Including in net cash from operating activities : -		
Payment relating to short-term leases	222	185
Payment relating to leases of low-value assets	7	9
Interest paid in relation to lease liabilities	552	946
Including in net cash from financing activities : -		
Payment of lease liabilities	5,313	4,404
Total cash outflows for leases	<u>6,094</u>	<u>5,544</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

35. Commitments

Operating lease commitments

The Group and the Company has entered into a commercial lease on 2 premises. These leases have an average tenure of 2 years with renewal option or contingent rent provision included in the contracts. The Group and the Company is restricted from subleasing the lease premises to third parties.

Future minimum rental receivables under non-cancellable operating leases at the reporting date are as follows : -

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Not later than one year	-	512

36. Related parties

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the directors of the Group and of the Company, and certain members of the senior management of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

36. Related parties (Cont'd.)

Significant related party transactions

Related party transactions were entered into the normal course of business under normal trade terms. The significant related party transactions of the Company and of the Company are shown below.

	Group		Company	
	30.6.2025 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	30.6.2024 RM'000
Transaction with related parties : -				
Dato' Sri Lim Teck Boon				
- Advance	9,590	6,533	11	-
Supreme Power Performance (M) Sdn. Bhd.				
- Lease of forklift and reach truck	222	227	-	-
Supreme Power Auto Sdn. Bhd.				
- Rental expense	2,971	2,733	-	-
S.P.A Hotel Sdn. Bhd.				
- Accomodation charge	32	-	11	-
Imponotive Auto Sdn. Bhd.				
- Repayment of lease liabilities	2,854	2,616	-	-
PH Performance (M) Sdn. Bhd.				
- Advance	40	-	40	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

36. Related parties (Cont'd.)

Key Management Personnel Compensation

Key management personnel of the Group and of the Company are those persons having the authority and responsibility for planning, directing and consulting the activities of the entity. The key management personnel comprise all the directors of the Company and its subsidiaries, as well as certain senior management personnel of the Group and of the Company. Key management personnel compensation is as follows : -

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	619	747	227	186
Post-employment benefits	50	54	-	-
	<u>669</u>	<u>801</u>	<u>227</u>	<u>186</u>

37. Financial instruments

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows : -

- Financial assets measured at amortised cost ("FAAC"); and
- Financial liabilities measured at amortised cost ("FLAC").

	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
Group			
As 30 June 2025			
Financial assets			
Trade receivables	24,397	24,397	-
Other receivables and deposits	8,163	8,163	-
Cash and bank balances	52	52	-
	<u>32,612</u>	<u>32,612</u>	<u>-</u>
Financial liabilities			
Trade payables	(542)	-	(542)
Other payables and deposits received	(2,708)	-	(2,708)
Amount due to related parties	(31,549)	-	(31,549)
Amount due to directors	(17)	-	(17)
Loan and borrowings	(723)	-	(723)
Lease liabilities	(5,369)	-	(5,369)
	<u>(40,908)</u>	<u>-</u>	<u>(40,908)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

a) Categories of financial instruments (Cont'd.)

The table below provides an analysis of financial instruments categorised as follows : -
(Cont'd.)

	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
Group			
As 30 June 2024			
Financial assets			
Trade receivables	20	20	-
Other receivables and deposits	2,082	2,082	-
Amount due from related parties	1,055	1,055	-
Fixed deposits with a licensed bank	6	6	-
Cash and bank balances	632	632	-
	<u>3,795</u>	<u>3,795</u>	<u>-</u>
Financial liabilities			
Trade payables	(3,857)	-	(3,857)
Other payables and deposits received	(3,007)	-	(3,007)
Amount due to related parties	(15,851)	-	(15,851)
Amount due to directors	(6)	-	(6)
Loan and borrowings	(3,980)	-	(3,980)
Lease liabilities	(10,459)	-	(10,459)
	<u>(37,160)</u>	<u>-</u>	<u>(37,160)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

a) Categories of financial instruments (Cont'd.)

The table below provides an analysis of financial instruments categorised as follows : -
(Cont'd.)

	Carrying amount RM'000	FAAC RM'000	FLAC RM'000
Company			
As 30 June 2025			
Financial assets			
Other receivables	6,679	6,679	-
Amount due from subsidiary companies	161	161	-
Cash and bank balances	5	5	-
	<u>6,845</u>	<u>6,845</u>	<u>-</u>
Financial liabilities			
Other payables	(1,093)	-	(1,093)
Amount due to subsidiary companies	(8,165)	-	(8,165)
Amount due to related parties	(54)	-	(54)
Amount due to directors	(8)	-	(8)
	<u>(9,320)</u>	<u>-</u>	<u>(9,320)</u>
As 30 June 2024			
Financial assets			
Other receivables	<u>241</u>	<u>241</u>	<u>-</u>
Financial liabilities			
Other payables	(1)	-	(1)
Amount due to directors	(6)	-	(6)
	<u>(7)</u>	<u>-</u>	<u>(7)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management

The Company has exposure to the following risks from its use of financial instruments : -

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks is minimised and monitored via strictly limiting the Group's associations to business partners with high credit worthiness. The Group also has an internal credit review which is conducted if the credit risk is material. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Trade receivables (Cont'd.)

Concentration of credit risk

The following shows the total amount due from the top five receivables as at the reporting date, which represents 100% (2024 – 100%) of the total trade receivables.

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Trade receivables	24,397	20

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure the expected credit losses ("ECL") of trade receivables from individual customers, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables have been grouped based on credit risk and days past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Trade receivables (Cont'd.)

Recognition and measurement of impairment losses (Cont'd.)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the financial year which are grouped together as they are expected to have similar risk nature : -

	Gross RM'000	Loss Allowance RM'000	Net RM'000
Group			
As 30 June 2025			
Trade receivables : -			
Not past due	20,089	-	20,089
1 - 30 days past due	2,809	-	2,809
31 - 60 days past due	1,497	-	1,497
61 - 90 days past due	2	-	2
	<u>24,397</u>	<u>-</u>	<u>24,397</u>
Credit impaired			
More than 90 days past due	2,435	(2,435)	-
	<u>26,832</u>	<u>(2,435)</u>	<u>24,397</u>
As 30 June 2024			
Trade receivables : -			
Not past due	15	-	15
1 - 30 days past due	-	-	-
31 - 60 days past due	-	-	-
61 - 90 days past due	-	-	-
	<u>15</u>	<u>-</u>	<u>15</u>
Credit impaired			
More than 90 days past due	2,628	(2,623)	5
	<u>2,643</u>	<u>(2,623)</u>	<u>20</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Trade receivables (Cont'd.)

Recognition and measurement of impairment losses (Cont'd.)

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired are due to the management is of the view that these debts will be collected in due course.

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The identified allowance for impairment losses of other receivables of the Group and the Company are disclosed in Note 10 to the financial statements.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured loans and advances to its related company. The Company monitors the results of the related company regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the related company are not recoverable. The Group does not specifically monitor the ageing of current advances to the related company.

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet their financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payable and borrowings.

The Group maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

ii) Liquidity risk (Cont'd.)

Maturity analysis

The table below summarises the maturity profile of the Group and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : -

Group	Carrying amount RM'000	Contractual interest rate %	Contractual undiscounted cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000
<i>Non-derivative financial liabilities</i>					
Trade payables	542	-	542	542	-
Other payables and deposits received	2,708	-	2,708	2,708	-
Amount due to related parties	31,549	-	31,549	31,549	-
Amount due to directors	17	-	17	17	-
Term loans	723	8.45	732	732	-
Lease liabilities	5,369	6.70 - 6.85	5,559	5,469	90
	<u>40,908</u>		<u>41,107</u>	<u>41,017</u>	<u>90</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

ii) Liquidity risk (Cont'd.)

Maturity analysis (Cont'd.)

The table below summarises the maturity profile of the Group and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :- (Cont'd.)

Group	Carrying amount RM'000	Contractual interest rate %	Contractual undiscounted cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000
<i>Non-derivative financial liabilities</i>					
Trade payables	3,857	-	3,857	3,857	-
Other payables and deposits received	3,007	-	3,007	3,007	-
Amount due to related parties	15,851	-	15,851	15,851	-
Amount due to directors	6	-	6	6	-
Term loans	3,980	6.50 - 8.45	4,316	4,316	-
Lease liabilities	10,459	6.76 - 6.85	11,217	5,868	5,349
	<u>37,160</u>		<u>38,254</u>	<u>32,905</u>	<u>5,349</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

ii) Liquidity risk (Cont'd.)

Maturity analysis (Cont'd.)

The table below summarises the maturity profile of the Group and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments : - (Cont'd.)

	Carrying amount RM'000	Contractual interest rate %	Contractual undiscounted cash flows RM'000	Under 1 year RM'000
Company				
As 30 June 2025				
<i>Non-derivative financial liabilities</i>				
Other payables	1,093	-	1,093	1,093
Amount due to subsidiary companies	8,165	-	8,165	8,165
Amount due to related parties	54	-	54	54
Amount due to directors	8	-	8	8
	<u>9,320</u>		<u>9,320</u>	<u>9,320</u>
As 30 June 2024				
<i>Non-derivative financial liabilities</i>				
Other payables	1	-	1	1
Amount due to directors	6	-	6	6
	<u>7</u>		<u>7</u>	<u>7</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest /expense rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD"), Euro ("EUR"), China Renminbi ("RMB") and Singapore Dollar ("SGD").

Risk management objectives, policies and processes for managing the risk

The exposure to currency risk is monitored by the management and it is not expected to have a material impact on the financial performance of the Group and the Company.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk based on carrying amounts as at the end of the reporting period was : -

	USD	Denominated in		
	USD	EUR	RMB	SGD
	RM'000	RM'000	RM'000	RM'000
Group				
Balance				
recognised				
in the statement				
of financial				
position : -				
As 30 June 2025				
Trade receivables	780	-	-	176
Cash and bank				
balances	4	3	1	2
Other payables				
and deposit				
received	426	-	-	-
	<u>1,210</u>	<u>3</u>	<u>1</u>	<u>178</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

iii) Market risk (Cont'd.)

Exposure to foreign currency risk (Cont'd.)

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk based on carrying amounts as at the end of the reporting period was : - (Cont'd.)

	USD RM'000	Denominated in EUR RM'000	RMB RM'000	SGD RM'000
Group				
Balance recognised in the statement of financial position : -				
As 30 June 2024				
Trade receivables	969	-	-	176
Cash and bank balances	3	3	1	2
Other payables and deposit received	355	-	-	-
	<u>1,327</u>	<u>3</u>	<u>1</u>	<u>178</u>

A 3% (30.6.2024 – 3%) strengthening of the RM against the following currencies at the end of the reporting period would have decreased equity and post-tax profit by the amounts shown below. The analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Group	
	30.6.2025 RM'000	30.6.2024 RM'000
Changes in equity	(32)	(34)
Changes in post - tax loss	<u>(32)</u>	<u>(34)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

iii) Market risk (Cont'd.)

Exposure to foreign currency risk (Cont'd.)

A 3% (30.6.2024 – 3%) weakening of the RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term investments such as deposits with licensed bank are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows : -

	Group			
	30.6.2025	Interest	30.6.2024	Interest
	RM'000	rate	RM'000	rate
		%		%
<u>Fixed rate</u>				
<u>instruments</u>				
Lease liabilities	5,369	6.70 - 6.85	10,459	6.76 - 6.85
Term loans	723	8.45	3,980	6.50 - 8.45

iv) Operational risk

The operational risk arises from the daily activities of the Group and of the Company which includes legal, credit reputation and financing risk and other risks associated to daily running of its business operations.

Such risks are mitigated through proper authority levels of approval limits, clear reporting structure, segregation of duties, policies and procedures implemented and periodic management meetings.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

37. Financial instruments (Cont'd.)

b) Financial risk management (Cont'd.)

iv) Operational risk (Cont'd.)

In dealing with its stewardship, the directors recognise that effective risk management is an integral part of good business practice.

The directors will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by the business units as well as regularly reviewing and enhancing risk mitigating strategies with its appointed and key management personnel.

c) Fair value information

The carrying amount of cash and cash equivalents, trade and other receivables, inter-company balances, trade and other payables, amount due to directors, financial guarantee, short term borrowings and current portion of lease payables approximate fair value due to the relatively short-term nature of these financial instruments.

The aggregate fair value of the other financial assets and liabilities carried on the statements of financial position approximates its carrying value and the Company does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled.

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique : -

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value is observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be settled. Therefore, the fair value hierarchy is not presented.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

38. Capital management

The Group manages its capital to ensure that the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may take adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. There were no changes in the Group's approach to capital management during the financial year.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions dividend by total equity.

	Group		Company	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	RM'000	RM'000	RM'000	RM'000
Trade payables	542	3,857	-	-
Other payables, deposits and accruals	3,389	3,966	1,196	396
Amount due to subsidiary companies	-	-	8,165	-
Amount due to related parties	31,549	15,851	54	-
Amount due to directors	17	6	8	6
Loans and borrowings	723	3,980	-	-
Total debts	<u>36,220</u>	<u>27,660</u>	<u>9,423</u>	<u>402</u>
Total equity	<u>100,908</u>	<u>105,078</u>	<u>58,544</u>	<u>58,075</u>
Debt-to-equity ratio	<u>0.36</u>	<u>0.26</u>	<u>0.16</u>	<u>0.01</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

39. Segment information

As 30 June 2025

Revenue

Sales to external customers
- Local

Total revenue

	Manufacturing RM'000	Trading RM'000	Others RM'000	Subtotal RM'000	Adjustment/ Elimination RM'000	Total RM'000
	159	115,000	-	115,159	(105)	115,054
	159	115,000	-	115,159	(105)	115,054

	(2,746)	(1,032)	(4)	(3,782)	-	(3,782)
	(2,503)	(2,374)	-	(4,877)	-	(4,877)
	-	57	-	57	-	57
	202	-	-	202	-	202
	(392)	(365)	-	(757)	-	(757)
	-	-	(804)	(804)	804	-
	(1,240)	-	-	(1,240)	1,240	-
	29	-	-	29	-	29
	(6,650)	(3,714)	(808)	(11,172)	2,044	(9,128)

Included in the measure of segment loss are : -

Depreciation of property, plant and equipment
Depreciation of right-of-use assets
Gain on disposal of property, plant and equipment
Gain on disposal of inventories
Interest expenses
Impairment loss on :
- Amount due from subsidiary companies
- Amount due from related companies
Unrealised gain on foreign exchange
Balance carried forward

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

39. Segment information (Cont'd)

As 30 June 2025

Balance brought forward						
Reversal impairment loss on :						
- Investment in subsidiaries	-	-	-	-	-	-
- Trade Receivables	188	-	-	-	188	188
- Other receivables	11	-	-	-	11	11
Waiver of debts due to :						
- Related companies	1,562	-	-	-	1,562	-
- Trade payables	2	-	-	-	2	2
- Other payables	16	-	-	-	16	16
Taxation	(727)	1,319	(10)	-	582	582
Others	(2,953)	4,967	(764)	-	1,250	800
Segment results	(8,551)	2,572	453	(2,003)	(5,526)	(7,529)
Segment assets	101,357	62,774	67,971	(80,499)	232,102	151,603

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

39. Segment information (Cont'd)

As 30 June 2024

Revenue

Sales to external customers
- Local

Total revenue

	Manufacturing RM'000	Trading RM'000	Others RM'000	Subtotal RM'000	Adjustment/ Elimination RM'000	Total RM'000
47	79,192	-	-	79,239	(60)	79,179
47	79,192	-	-	79,239	(60)	79,179
Included in the measure of segment loss are : -						
Depreciation of property, plant and equipment	(4,789)	(765)	(4)	(5,558)	-	(5,558)
Depreciation of right-of-use assets	(2,655)	(2,729)	-	(5,384)	301	(5,083)
Interest income	33	-	2	35	-	35
Interest expenses	(1,301)	(676)	-	(1,977)	22	(1,955)
Impairment loss on:						
- Investment in subsidiaries	-	-	-	-	-	-
- Slow-moving inventories	(1,098)	-	-	(1,098)	-	(1,098)
- Trade receivables	(42)	(1)	-	(43)	-	(43)
- Amount due from subsidiary companies	-	-	-	-	-	-
- Amount due from related companies	-	(1,562)	-	(1,562)	1,562	-
Balance carried forward	(9,852)	(5,733)	(2)	(15,587)	1,885	(13,702)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

39. Segment information (Cont'd)

As 30 June 2024

	Manufacturing RM'000	Trading RM'000	Others RM'000	Subtotal RM'000	Adjustment/ Elimination RM'000	Total RM'000
Balance brought forward	(9,852)	(5,733)	(2)	(15,587)	1,885	(13,702)
Unrealised gain on foreign exchange	34	-	-	34	-	34
Reversal impairment loss on :						
- Investment in subsidiaries	-	-	(2,786)	(2,786)	2,786	-
- Trade Receivables	5,179	1,451	-	6,630	(4,381)	2,249
- Amount due from holding company	-	1,562	-	1,562	(1,562)	-
- Amount due from subsidiary companies	-	-	17,052	17,052	(17,052)	-
- Amount due from related companies	3,572	2,281	-	5,853	(5,853)	-
Waiver of debts due to : -						
- Related companies	1,760	6,050	-	7,810	(7,810)	-
- Trade payables	854	3,684	-	4,538	(4,443)	95
- Other payables	-	-	-	-	-	-
Taxation	(1,354)	(2,364)	(377)	(4,095)	-	(4,095)
Others	(17,462)	(20,791)	(34,235)	(72,488)	67,128	(5,360)
Segment results	(17,269)	(13,860)	(20,348)	(51,477)	30,698	(20,779)
Segment assets	104,781	51,297	58,478	214,556	(58,159)	156,397

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

39. Operating segments (Cont'd.)

(a) Reporting format

Segment information is presented in respect of the Group's business segments. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

For management purposes, the Group is organised into the following three (3) operating segments : -

- i. Manufacturing of furniture,
- ii. Trading of steel and furniture; and
- iii. Others made up of investment holding and dormant companies.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Segment Revenue and Results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before finance costs and tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment Assets

Segment assets are measured based on all assets of the segment.

Segment Liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Operating Decision Maker. Hence, no disclosure is made on segment liabilities.

(b) Allocation basis and transfers

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

40. Contingent liabilities

	Group	
	30.6.2025	30.6.2024
	RM'000	RM'000
Unsecured :		
Material Litigations - Writ and Statement of Claims	3,505	11,852
	Company	
	30.6.2025	30.6.2024
	RM'000	RM'000
Secured :		
Financial guarantee granted to licensed banks in respect of banking facilities held by subsidiaries	3,955	9,072

- (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 proceeded to full trial at the High Court, and on 4 June 2025, the Court allowed M South's claim with costs and dismissed EHB's counterclaim in its entirety. The total amount awarded against EHB is RM65,000.

EHB had filed a Notice of Appeal on 30 June 2025 at the Court of Appeal against the Plaintiff and four other parties. The appeal are currently awaiting the case management date, and the Memorandum of Appeal and Record of Appeal will be filed in due course, once the necessary documents and grounds are available.

Based on the oral judgment delivered by the learned High Court Judge, the solicitors are of the view that the likelihood of a successful appeal may be low as there appear to be insufficient grounds to challenge the decision. However, a conclusive opinion will only be possible upon receipt and careful review of the written grounds of judgment

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

40. Contingent liabilities (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”).**

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

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

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

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

The matter has been consolidated with WA-22NCC-246-06/2020 and WA-22NCC-137-03/2021 (previously known as WA-B52NCC-41-01/2021) as disclosed in Note 40(a) respectively. Following the full trial, the High Court on 4 June 2025 allowed ADY’s claim with costs and dismissed EHB’s counterclaim in its entirety, resulting in a total financial exposure of RM65,000 against EHB, inclusive of both the claim amount and legal costs.

Pursuant to instructions from EHB, a Notice of Appeal was filed on 30 June 2025 against ADY and the other parties involved. The case is now pending case management in the Court of Appeal, and the legal team will proceed to file the Memorandum of Appeal and Record of Appeal in due course upon receipt of the necessary documents and grounds of judgment.

Based on the oral judgment delivered by the learned High Court Judge, the solicitors are of the preliminary opinion that the grounds for a successful appeal may be limited due to the lack of strong legal support in the existing findings; however, a definitive view on the merits of the appeal can only be formed upon receiving and reviewing the written grounds of judgment in full.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

40. Contingent liabilities (Cont'd)

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

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 following: -

- 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.

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 40(a) & 40(b) respectively. The trial for the matter has been completed. Following trial, the High Court on 4 June 2025 delivered its oral judgment allowing the Plaintiff's claim with costs and dismissing EHB's counterclaim in its entirety, with the total amount awarded in respect of both claim and costs being RM65,000 against EHB.

EHB had filed a Notice of Appeal on 30 June 2025 against the Plaintiff and four other parties. 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 handling the matter is of the preliminary view that there may be insufficient legal grounds to support a successful appeal before the Court of Appeal. Nevertheless, a conclusive assessment of the appeal's merits can only be made once the written grounds of judgment are received and thoroughly reviewed.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

40. Contingent liabilities (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")**

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.

ELD 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.

On 4 June 2025, during the hearing before the High Court, the Plaintiff, represented by the Official Receiver Selangor, withdrew its entire claim against all parties. However, the Court proceeded to dismiss EHB's counterclaim in full and awarded costs of RM55,000 against EHB.

EHB had filed a Notice of Appeal on 30 June 2025 against All Ways Builder and five others. The appeal is now 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 receipt of the necessary documents and written grounds of judgment.

Based on the oral judgment delivered by the High Court, the solicitor handling the matter is of the view that there may be insufficient grounds to support a successful appeal before the Court of Appeal. However, a final assessment on the viability of the appeal will only be made upon receipt and full review of the written grounds of judgment.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

40. Contingent liabilities (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.

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.

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.

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.

On 24 September 2024, Surian had filed an appeal against the Malacca High Court's decision of 3 September 2024. The next hearing date is fixed on 13 November 2025.

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

41. Subsequent event

Change in nature of subsidiary's business

On 4 July 2025, Euro Hartanah (M) Sdn. Bhd. (previously known as Euro Chairs Systems Sdn. Bhd.), a wholly-owned subsidiary of the Company, has expanded its principal activities to include the buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings and land. The change occurred after the financial year end and has no impact on the financial statements for the financial year ended 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

42. Prior Year Adjustments

The Group has restated the comparative amounts previously reported in the financial statements for the financial year ended 30 June 2023. The restatement was made to reflect the alignment of accounting policy and presentation relating to freehold land and buildings, which were previously disclosed separately at cost and valuation. In preparing the financial statements for the financial year ended 30 June 2025, the comparative information as at 30 June 2024 and its earliest beginning period as at 1 July 2023 has been restated accordingly. The details of the restatement and its impact on the financial position and financial performance of the Group are as follows :-

(a) Reconciliation of statements of financial position as at 1 July 2023

Group	Note	As previously reported			Restated
		RM'000	Restatement	Reclassification	RM'000
		RM'000	RM'000	RM'000	RM'000
At 1 July 2023					
Property, plant and equipment	(a)	51,346	40,722	-	92,068
Reserves	(c)	(4,280)	34,052	-	29,772
Deferred tax liabilities	(b)	1,531	6,670	-	8,201
Trade payables	(d)	941	-	(332)	609
Other payables, deposits and accruals	(d)	2,867	-	444	3,311
Contract liabilities	(e)	2,104	-	(144)	1,960
Amount due to related companies	(f), (g)	2,662	-	(2,662)	-
Amount due to related parties	(f), (g)	-	-	6,977	6,977
Amount due to directors	(f), (g)	4,290	-	(4,283)	7

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

42. Prior Year Adjustments (Cont'd.)

The Group has restated the comparative amounts previously reported in the financial statements for the financial year ended 30 June 2023. The restatement was made to reflect the alignment of accounting policy and presentation relating to freehold land and buildings, which were previously disclosed separately at cost and valuation. In preparing the financial statements for the financial year ended 30 June 2025, the comparative information as at 30 June 2024 and its earliest beginning period as at 1 July 2023 has been restated accordingly. The details of the restatement and its impact on the financial position and financial performance of the Group are as follows : - (Cont'd.)

(b) Reconciliation of statements of financial position as at 30 June 2024

Group	Note	As previously reported			Restatement	Reclassification		Restated
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2024								
Property, plant and equipment	(a)	50,862		40,058	-	-	-	90,920
Reserves	(c)	(23,957)		33,527	-	-	-	9,570
Deferred tax liabilities	(b)	1,877		6,531	-	-	-	8,408
Trade payables	(d)	4,174		-	(317)	(317)	-	3,857
Other payables, deposits and accruals	(d)	8,206		-	(4,240)	(4,240)	-	3,966
Contract liabilities	(e)	1,044		-	(180)	(180)	-	864
Amount due to related companies	(f), (g)	3,697		-	(3,697)	(3,697)	-	-
Amount due to related parties	(f), (g)	4,951		-	10,900	10,900	-	15,851
Amount due to directors	(f), (g)	2,472		-	(2,466)	(2,466)	-	6

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

42. Prior Year Adjustments (Cont'd.)

Notes to reconciliation

(i) Restatement

Restatement to ensure consistency in accounting policy application

(a) Property, plant equipment

During the preparation of the financial statements for the financial year ended 30 June 2025, Euro Space Industries (M) Sdn. Bhd., a wholly-owned subsidiary of the Company, identified that its freehold land and factory buildings were carried at cost, which was not consistent with the accounting policy applied by another wholly-owned subsidiary, Euro Chairs Manufacturers (M) Sdn. Bhd., where freehold land and factory buildings were carried at valuation in the previous financial year. Based on the valuation report, the freehold land and factory buildings of Euro Space Industries (M) Sdn. Bhd. were previously understated by RM40,722,000 and RM40,058,000 as at 30 June 2023 and 30 June 2024 respectively. The Group has restated the comparative amounts to align the accounting policy and presentation of freehold land and factory buildings across the subsidiaries.

(b) Deferred tax liabilities

Consequent to the revaluation of the freehold land and factory buildings above, the deferred tax liabilities have also been restated to reflect the deferred tax effects arising from the recognition of revaluation surplus. The restatement adjusts for the temporary differences between the carrying amounts of the revalued assets and their respective tax bases as at 30 June 2023 and 30 June 2024. Accordingly, the deferred tax liabilities were understated by RM6,670,000 and RM6,531,000 as at 30 June 2023 and 30 June 2024 respectively.

(c) Revaluation reserve

In line with the revaluation of the freehold land and factory buildings, the revaluation reserve was restated to recognise the revaluation surplus, net of deferred tax effects, in other comprehensive income. This restatement ensures consistent presentation of the revaluation reserve across the Group's subsidiaries. Accordingly, the revaluation reserve was understated by RM34,052,000 and RM33,527,000 as at 30 June 2023 and 30 June 2024 respectively.

(ii) Reclassification

(d) Reclassification of trade payables

Certain non-trade payables previously reported under trade payables have been reclassified to other payables and amount due to related parties to align with the current year's presentation. This reclassification has no impact on the net profit or equity of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2025 (cont'd)

42. Prior Year Adjustments (Cont'd.)

Notes to reconciliation (Cont'd.)

(ii) Reclassification (Cont'd.)

(e) Reclassification of contract liabilities

Certain rental deposits previously classified under contract liabilities have been reclassified to other payables to reflect their nature as rental-related balances and to ensure consistency with the current year's presentation. This reclassification has no impact on the net profit or equity of the Group.

(f) Reclassification of amount due to related companies

Certain advances previously reported under amount due to related companies have been reclassified to amount due to related parties to align with the current year's presentation. This reclassification has no impact on the net profit or equity of the Group.

(g) Reclassification of amount due to directors

Certain advances previously reported under amount due to a director who have resigned have been reclassified to amount due to related parties to align with the current year's presentation. This reclassification has no impact on the net profit or equity of the Group.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2025

Share Capital	:	RM95,508,075.85 comprising of 1,327,967,100 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	No. of Holders	%	No. of Shares Held	%
1 – 99	7	0.102	114	0.000
100 – 1,000	1,395	20.311	1,078,801	0.081
1,001 – 10,000	2,450	35.673	13,547,815	1.020
10,001 – 100,000	2,348	34.187	89,401,570	6.732
100,001 to less than 5% of shares	667	9.712	717,072,700	53.998
5% and above of issued shares	1	0.015	506,866,100	38.169
Total	6,868	100.000	1,327,967,100	100.000

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

No	Name of Director	Direct Interest	No. of Shares Held		%
			%	Indirect Interest	
1.	Lt Gen (R) Dato' Sri Sabri bin Adam	-	-	-	-
2.	Datin Sri Ong Lely	-	-	510,627,700 [^]	38.452 [^]
3.	Datuk Lim Sze Way	-	-	285,000 ^{**}	0.021 ^{**}
4.	Yong Teck Wee	1,296,000	0.098	-	-
5.	Tan Poh Ling	-	-	-	-
6.	Chua Yeow Fatt	-	-	-	-
7.	Datuk Haji Azmi Bin Hussain	-	-	-	-
8.	Yip Kit Weng	-	-	-	-

[^] Deemed interested due to her shareholding held in S.P.A. Furniture (M) Sdn Bhd and PH Performance (M) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 and the shareholdings held by her spouse, namely Dato' Sri Lim Teck Boon, pursuant to Section 59(11) (c) of the Companies Act, 2016.

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

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

No	Name of Director	Direct Interest	No. of Shares Held		%
			%	Indirect Interest	
1.	Datin Sri Ong Lely	-	-	510,627,700 [^]	38.452
2.	Datin Chooi Moi	-	-	508,559,200 [*]	38.296
3.	S.P.A. Furniture (M) Sdn. Bhd.	508,559,200	38.296	-	-

[^] Deemed interested due to her shareholding held in S.P.A. Furniture (M) Sdn Bhd and PH Performance (M) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 and the shareholdings held by her spouse, namely Dato' Sri Lim Teck Boon, pursuant to Section 59(11) (c) of the Companies Act, 2016.

^{*} Deemed interested by virtue of her shareholding held in S. P. A. Furniture (M) Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2025 (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	%
1	S.P.A Furniture (M) Sdn.Bhd.	506,866,100	38.17
2	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Crimson Summit (M) Sdn Bhd	52,934,300	3.99
3	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For JC Machinery Industry Sdn Bhd	44,905,000	3.38
4	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kai Lee	27,115,100	2.04
5	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Tsui Mei (M04)	24,700,000	1.86
6	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Chan Fook Lin (M04)	24,605,000	1.85
7	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Too Poh Hwee (M04)	22,000,000	1.66
8	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Matakang Auto Sdn Bhd	19,233,000	1.45
9	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Doris Liaw Mei Kin (M04)	18,500,000	1.39
10	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Too Poh Boon (M04)	17,800,000	1.34
11	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Yim Poh (M04)	17,655,000	1.33
12	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Oriental Southern Dragon Sdn Bhd	17,000,000	1.28
13	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Fook Lin	16,133,000	1.21
14	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Tsui Mei	16,133,000	1.21
15	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Too Poh Boon	16,133,000	1.21
16	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Too Poh Hwee	16,133,000	1.21
17	Kenanga Nominees (Tempatan) Sdn Bhd Foo Chee Wee	15,000,000	1.13
18	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Doris Liaw Mei Kin	11,000,000	0.83
19	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Chin Seong (7014455)	10,000,000	0.75
20	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Rebak Auto Sdn Bhd	10,000,000	0.75
21	Lee Siew Kim	9,460,400	0.71
22	Maju Offshore Capital Sdn Bhd	9,000,000	0.68
23	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teoh Ching Wan (E-Tai/PRS)	8,509,300	0.64
24	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Ah Meng (MY4531)	8,500,000	0.64
25	Tiu Yee Soon	8,200,000	0.62
26	Tan Kai Lee	6,728,800	0.51
27	Kenanga Nominees (Tempatan) Sdn Bhd Tan Pow Choo @ Wong Seng Eng (EM1-CN)	6,290,100	0.47
28	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Aw Sze Fong	6,002,000	0.45
29	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Tan Yew Hock (PB)	5,500,000	0.41
30	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Too Poh Boon (E-Jah)	4,700,000	0.25
TOTAL		976,736,100	73.55

GROUP PROPERTIES

Registered/ Beneficial Owner	Location	Description/ Existing use	Land area (sq. ft.)	Built-up area (sq. ft.)	Approximate age of building/ Tenure	Net book value as at 30 Jun 2025 (RM'000)	Year of acquisition/ construction/ revaluation
ESI	GRN 86280 Lot. No 169 Mukim Rawang Daerah Gombak Selangor Darul Ehsan	Industrial land with factory buildings erected thereon comprising:	210,101	108,116 149,406	19 years/ Freehold 15 years / Freehold	68,000 (revaluation)	2006 2010 2025
	Bearing postal address: Lot 25, Jalan RP 2 Rawang Industrial Estate 48000 Rawang Selangor Darul Ehsan	i. One and a half (1 ½) storey detached factory; and ii. Annexed four (4) storey office building					

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First ("21st") Annual General Meeting ("AGM") of the Company will be held at Level 1, Room 3 of the Supreme Hotel Melaka at 25, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, 75200 Melaka on Thursday, 18 December 2025 at 10.00 a.m. or at any adjournment thereof for the transaction of the following businesses:

AGENDA

As Ordinary Business

- | | | |
|----|--|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon. | <i>(Please refer to Explanatory Note 1 on Ordinary Business)</i> |
| 2. | To re-elect the following Directors who shall retire by rotation pursuant to Clause 105(1) of the Company's Constitution and being eligible, have offered themselves for re-election:
a) Lt Gen (R) Dato' Sri Sabri bin Adam
b) Chua Yeow Fatt | <i>Ordinary Resolution 1
Ordinary Resolution 2</i> |
| 3. | To approve the payment of the Directors' Fees and other benefits of up to RM240,000.00 from 18 December 2025 until the conclusion of the next AGM of the Company. | <i>Ordinary Resolution 3</i> |
| 4. | To re-appoint Messrs. Kreston John & Gan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | <i>Ordinary Resolution 4</i> |

As Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications:

- | | | |
|----|--|------------------------------|
| 5. | AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 | <i>Ordinary Resolution 5</i> |
|----|--|------------------------------|

"THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 ("the Act") read together with Clause 61 of the Company's Constitution.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (cont'd)

6. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

Ordinary Resolution 6

"THAT subject to the provisions of the Main Market Listing Requirements ("MMLR") of Bursa Securities, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate of the Company and/or its subsidiaries ("Euro Group") to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the related parties as specified in the Circular to Shareholders dated 31 October 2025 provided that such transactions are:-

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

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

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

whichever is earlier;

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

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

Ordinary Resolution 7

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

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

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

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (cont'd)

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

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

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

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

8. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Act.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482/ SSM PC No. 202208000250)
THIEN LEE MEE (LS0010621/ SSM PC No. 201908002254)
Company Secretaries

Dated: 31 October 2025

NOTES:

1. A member entitled to participate and vote at this meeting is entitled to appoint a proxy/proxies to participate and vote instead of him/her. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to speak at the meeting.
2. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.
4. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (cont'd)

5. For the purpose of determining a member who shall be entitled to participate the 21st AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 10 December 2025. Only a depositor whose name appears on the Record of the Depositor as at 10 December 2025 shall be entitled to participate the meeting or appoint proxies to participate and/or vote on his/her behalf.
6. The instrument appointing a proxy duly completed and signed must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively the form of proxy may be received either via electronically at admin@aldpro.com.my or via facsimile at 03-2201 7774 not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes to Ordinary Business and Special Business:

1. Item 1 of the Agenda

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Act provides that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolutions 1 to 2 – Re-election of Director pursuant to Clause 105(1) of the Company's Constitution

Clause 105(1) of the Company's Constitution states that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Lt Gen (R) Dato' Sri Sabri bin Adam and Mr. Chua Yeow Fatt are standing for re-election. For the purpose of determining the eligibility of the Directors to stand for re-election at the 21st AGM, the Nomination and Remuneration Committee ("NRC") has considered and recommended Lt Gen (R) Dato' Sri Sabri bin Adam and Mr. Chua Yeow Fatt for re-election by rotation pursuant to Clause 105(1) of the Company's Constitution.

3. Ordinary Resolution 3 – Payment of Directors' Fees and other benefits

Section 230(1) of the Act provides that the fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

In determining the estimated total amount of Directors' Meeting Allowance, the Board has considered various factors, among others, the estimated claimable Directors' Meeting Allowance and estimated number of meetings for the Board and Board Committees held for the period commencing from the conclusion of the 21st AGM until the next AGM of the Company.

In the event that the proposed amount is insufficient (e.g., due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

At the 20th AGM of the Company, the shareholders had approved the payment of Directors' Fees of RM240,000-00 and a meeting allowance of RM500 per meeting for each Director.

4. Ordinary Resolution 4 - Re-appointment of Auditors

The Board, through the Audit Committee, reviewed and was satisfied with Messrs. Kreston John & Gan ("Kreston")'s performance and independence for the financial year ended 30 June 2025. The Board has, therefore, recommended the re-appointment of Kreston as external auditors of the Company for the financial year ending 30 June 2026.

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (cont'd)

5. **Special Business: Ordinary Resolution 5 - Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The proposed Ordinary Resolution 5, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

The 10% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

As of the date of this Notice, no new shares in the Company were issued and allotted pursuant to the Previous Mandate granted to the Directors at the 20th AGM held on 17 December 2024, which will lapse at the conclusion of this 21st AGM.

6. **Special Business: Ordinary Resolution 6 - Proposed Renewal of Shareholders' Mandate**

The proposed Ordinary Resolution 6, if passed, will provide a renewal mandate for Euro Group to enter into recurrent related party transactions of a revenue or trading nature with related parties in the ordinary course of business based on commercial terms which are not more favourable to the related parties than those generally available to the public and which are necessary for the Group's day-to-day operations. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

For further information on this resolution, please refer to the Circular to Shareholders dated 31 October 2025.

7. **Special Business: Ordinary Resolution 7 - Proposed Share Buy-Back**

This proposed Ordinary Resolution 7, if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM of the Company.

For further information on this resolution, please refer to the Circular to Shareholders dated 31 October 2025.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. No notice of nomination has been received to date from any member nominating any individual for election as a Director at the AGM of the Company. There is, therefore, no individual standing for election as a director, save for the above Directors who are standing for re-election at the forthcoming 21st AGM of the Company.
2. The detailed information relating to the general mandate for the issue of securities pursuant to Paragraph 6.03(3) of the Listing Requirements of Bursa Securities is set out under Explanatory Notes on Special Business for Ordinary Resolution 5 of the Notice of the 21st AGM of the Company.



EURO HOLDINGS BERHAD
[Registration No. 200401008055 (646559-T)]

FORM OF PROXY

No. of Shares Held	
CDS Account No.	

I/We _____ [Full Name in Block Letters] NRIC

No _____ of _____

[Full Address], _____ [Email Address], _____ [Contact No.]

a member(s) of EURO HOLDINGS BERHAD ("the Company"), hereby appoint

Full Name in Block Letters		Proportion of Shareholdings to be Presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		
Full Name in Block Letters		Proportion of Shareholdings to be Presented %
Email Address		
NRIC / Passport No.		
Full Address		
Contact No.		
		100%

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 21st AGM of the Company to be held at Level 1, Room 3 of the Supreme Hotel Melaka at 25, Jalan Kota Laksamana 2/15, Taman Kota Laksamana, 75200 Melaka on Thursday, 18 December 2025 at 10.00 a.m. or at any adjournment thereof, as indicated below:

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to the voting is given, the Proxy will vote or abstain from voting at his/her discretion.

RESOLUTIONS	SUBJECT	FOR	AGAINST
OR 1	Re-election of Lt Gen (R) Dato' Sri Sabri bin Adam, who retired in accordance with Clause 105(1) of the Company's Constitution.		
OR 2	Re-election of Chua Yeow Fatt, who retired in accordance with Clause 105(1) of the Company's Constitution.		
OR 3	Payment of Directors' Fees and other benefits		
OR 4	Re-appointment of Messrs. Kreston John & Gan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
OR 5	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
OR 6	Proposed Renewal of Shareholders' Mandate		
OR 7	Proposed Renewal of Share Buy-Back Authority		

Signed this..... day of 2025

.....
Signature of Shareholder(s)

Fold this flap for sealing

NOTES:

1. A member entitled to participate and vote at this meeting is entitled to appoint a proxy/proxies to participate and vote instead of him/her. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to speak at the meeting.
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3. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of its attorney of the corporation duly authorised.
4. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
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6. The instrument appointing a proxy duly completed and signed must be deposited at the Company's Share Registrar, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively the form of proxy may be received either via electronically at admin@aldpro.com.my or via facsimile at 03-2201 7774 not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX
STAMP

THE SHARE REGISTRAR
EURO HOLDINGS BERHAD
[Registration No. 200401008055 (646559-T)]
C/O Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

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