



EUROSPAN HOLDINGS BERHAD

Company No. 199501022724 (351927-M)

EST. 1972

PATHWAY TO **MAXIMAL GROWTH**

Annual Report 2024



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INSIDE THIS REPORT

VISION

Leading through innovation.

MISSION

We will target niche markets that appreciate our innovative design. Stress on continuous improvement and human capital development, thus satisfying all our stakeholders.



PATHWAY TO MAXIMAL GROWTH

Eurospan Holdings is en route to maximal growth. Savouring the picturesque pathway of confident positioning, the Group will continue its endeavour with full momentum towards a new direction to achieve a glorious journey of sustainable success. Moving forward with innovative designs and high standards of manufacturing, the Group is setting itself apart in the competitive market and, therefore, is on the right track toward perpetual growth.

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CORPORATE INFORMATION

BOARD
OF
DIRECTORS**DATO' SRI TAN HAN CHUAN**

Non-Executive Chairman

DATO' THOR POH SENG

Non-Independent Non-Executive Director

ENG BOON KIAT

Non-Independent Non-Executive Director

TAN KOK LEONG

Non-Independent Non-Executive Director

GUAN SHAW YIN

Executive Director

YAP KAN LIN

Independent Non-Executive Director

HO JONG CHING

Independent Non-Executive Director

✓ **AUDIT
COMMITTEE****Yap Kan Lin***(Chairman)*

Independent Non-Executive Director

Ho Jong Ching*(Member)*

Independent Non-Executive Director

Eng Boon Kiat*(Member)*

Non-Independent Non-Executive Director

✓ **COMPANY
SECRETARIES****Tan Shien Yin***(MAICSA 7018545)*

SSM PC No. 202008002719

Chong Siew Duan*(MAICSA 7019353)*

SSM PC No. 202008002732

✓ **EXTERNAL
AUDITORS****Grant Thornton Malaysia PLT***[201906003682**(LLP0022494-LCA) & AF 0737]*

Level 5 Menara BHL

51, Jalan Sultan Ahmad Shah

10050 George Town

Penang

Malaysia

Tel: 04-228 7828**Fax:** 04-227 9828✓ **REMUNERATION
COMMITTEE****Dato' Thor Poh Seng**

Non-Independent Non-Executive Director

Yap Kan Lin

Independent Non-Executive Director

Ho Jong Ching

Independent Non-Executive Director

✓ **REGISTERED
OFFICE**29th Floor, Menara JKG

No 282 Jalan Raja Laut

50350 Kuala Lumpur

Malaysia

Tel : 603-2775 8199**Fax :** 603-2775 8189**Email :**

global@global-quality.com.my

✓ **PRINCIPAL
BANKERS**

United Overseas Bank (Malaysia) Bhd.

Public Bank Berhad

Malayan Banking Berhad

✓ **NOMINATING
COMMITTEE****Dato' Thor Poh Seng**

Non-Independent Non-Executive Director

Yap Kan Lin

Independent Non-Executive Director

Ho Jong Ching

Independent Non-Executive Director

✓ **SHARE
REGISTRAR****Plantation Agencies Sdn. Berhad**3rd Floor

2, Lebuhr Pantai

10300 George Town

Penang

Malaysia

Tel : 604-262 5333**Fax :** 604-262 2018**Email :**

sharereg@plantationagencies.com.my

✓ **STOCK EXCHANGE
LISTING****Main Market of Bursa Malaysia****Securities Berhad****Sector :** Consumer Products & Services**Stock Name :** EUROSP**Stock Code :** 7094✓ **WEBSITE**

www.eurospan.com.my

GROUP STRUCTURE



Eurospan Holdings Berhad was incorporated in Malaysia on 19 July 1995 as a public limited company. It has been listed on the Main Market of Bursa Malaysia Securities Berhad since 10 July 2000. The Company is an investment holding company and its wholly-owned subsidiary companies are Eurospan Furniture Sdn. Bhd. and Dynacharge Sdn. Bhd. (formerly known as Dynaword Sdn. Bhd.)



100 %

Eurospan Furniture Sdn Bhd
198901000344 (177650-M)

Manufacturing & trading
of furniture & wood-based
products

100 %

Dynacharge Sdn Bhd
(formerly known as Dynaword Sdn Bhd)
199601001403 (373749-H)

General Trading



MANAGEMENT DISCUSSION AND ANALYSIS



To our valued shareholders,

Eurospan Holdings Berhad ("Eurospan") is listed on the Main Market of the Bursa Malaysia Securities Berhad ("Bursa Malaysia" or "the Exchange"). Eurospan and its subsidiaries ("the Group") operate principally in Malaysia. The Group's principal activities include manufacturing and trading of furniture and wood-based products.



Overview of Business and Strategies

Established in 1972 as Sin Bin Furniture, Eurospan Group of Companies ("Eurospan Group" or the "Group") enjoys a well-founded reputation for its world class wood dining sets. Our diverse range of ready-to-assemble and assembled furniture is produced primarily for export.

Located in Malaysia, the manufacturing facilities follow our internal systems to manage product quality. We are also able to meet stringent international production standards as attested by our ability to meet quality certifications for advanced strength and stability tests required by some of our international customers.

Today, Eurospan Group exports to some of the world's most competitive markets among which are Europe, United Kingdom, U.S.A, South America, Australia, Africa, Japan and Singapore.

Eurospan Group is customer orientated. We always place the customer's needs and quality aspects as priority to meet customer's expectation and satisfaction and strive to be a high performance furniture manufacturer in order to deliver sustainable shareholder value to all stakeholders.

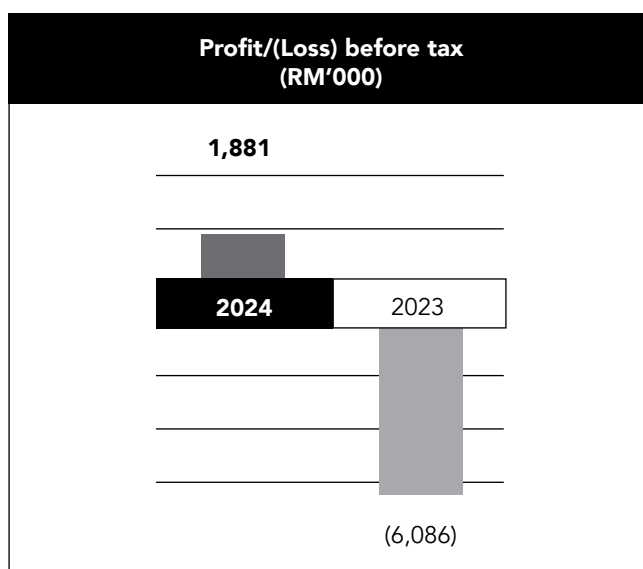
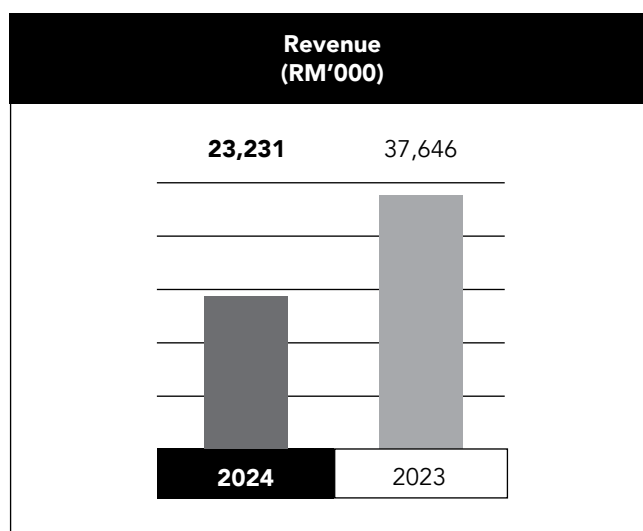
The Group's products cover wide range of contemporary furniture. These products come in various sizes, designs and colours. Our products are designed to serve a wide spectrum of customers. Its multiplicity product designs have provided buyers from various countries a wide choice. The Group will continue to expand its product range to meet the needs of customers from all over the world. We will remain focused on fast moving dining sets product line but will continue to maintain our strategy of new product development. The Group is committed to establish itself as a reliable furniture manufacturer and exporter providing good quality products at competitive price with timely delivery to its valuable customers throughout the world.

FINANCIAL REVIEW

Financial performance

In the financial year ended 31 May 2024, the Group recorded revenue of RM23.23 million and a profit before tax of RM1.88 million as compared to the revenue of RM37.65 million and a loss before tax of RM6.09 million reported in the immediate preceding year. The recorded profit before tax was due to the gain on disposal of property, plant and equipment during the financial year of RM6.69 million.

The global economic downturn and the high inflation in many of the markets we served led to reduce demand for the Group's products during the financial year, which resulted in the decrease of revenue by RM14.42 million or 38% as compared to the preceding year.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

Financial position

	2024 RM'000	2023 RM'000	Year-on-Year Variance (%)
Total assets	46,617	42,099	10.73%
Total liabilities	12,400	9,062	36.84%
Shareholders' equity	34,217	33,037	3.57%
Net assets per share (RM)	0.77	0.74	

As at 31 May 2024, the Group's total assets base stood at RM46.62 million representing 10.73% increase as compared to the preceding year.

As at 31 May 2024, the shareholders' equity remained at a positive level at RM34.22 million as compared to RM33.04 million at the end of the preceding year.

Net assets per share increased from RM0.74 as at 31 May 2023 to RM0.77 as at 31 May 2024.

Liquidity

	2024 (Days)	2023 (Days)	Changes (Days)
Trade receivables turnover period ⁽¹⁾	18	36	(18)
Inventories turnover period ⁽²⁾	67	90	(23)
Trade payables turnover period ⁽²⁾	7	10	(3)
Cash conversion cycle	78	116	(38)

⁽¹⁾ This is derived using the formula : (Closing balance as at year-end / Total revenue) x 365 days

⁽²⁾ This is derived using the formula : (Closing balance as at year-end / Cost of sales) x 365 days

The Group managed to improve the trade receivables turnover period from 36 days in the financial year ended 31 May 2023 to 18 days in the financial year ended 31 May 2024.

The inventories turnover period decreased from 90 days in the financial year ended 31 May 2023 to 67 days in the financial year ended 31 May 2024, mainly due to the lower stock level of raw materials as at 31 May 2024.

The trade payables turnover period improved from 10 days in the financial year ended 31 May 2023 to 7 days in the financial year ended 31 May 2024, which indicated a lower liquidity risk as the Group was able to settle the debts earlier compared to the previous financial year.

The cash conversion cycle improved from 116 days in the financial year ended 31 May 2023 to 78 days in the financial year ended 31 May 2024. Our Group remains prudent in maintaining healthy financial position that will enable us to sustain the business.

	2024 RM'000	2023 RM'000
Cash and cash equivalents at end of financial year:		
- Cash and bank balances	2,843	2,952

As at 31 May 2024, the Group's cash and cash equivalents amounted to RM2.84 million compared to RM2.95 million in the last financial year. The excess cash, other than for working capital purposes, was invested for a mid-term duration to generate dividend income and/or capital appreciation.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (CONT'D)

Capital expenditure

During the financial year, the Group spent approximately RM0.50 million in capital expenditure which were mainly incurred for acquisition of plant and equipment.

Borrowings

	2024 RM'000	2023 RM'000
Short term (repayable within 12 months)	144	203
Long term (repayable beyond 12 months)	193	337
	337	540

The Group's short term borrowings consisted of hire purchase to finance the purchase of motor vehicles. The Group is in net cash position which places it in a strong financial position to obtain financing to fund capital expenditure and/or working capital requirements for expansion of its operations or new ventures should the opportunity arise.

BUSINESS REVIEW

Market

We have established an international business network through our participation in various international furniture exhibitions throughout the years. We continuously seek long term partnerships with international buyers to identify market niches in high growth countries and to further enhance our delivery capabilities.

Research and Development ("R&D")

As a leading furniture maker, Eurospan continues to diversify our product range to meet the latest home trends and customer needs. R&D division plays a major role in spearheading the development of new original equipment manufacturer ("OEM") and original design manufacturer ("ODM") designs. Prototype development, machine upgrading and preventive maintenance, material development and process auditing are among the functions our R&D undertakes to ensure that we produce the finest quality products.

RISKS

Similar to other companies in the furniture industry, the Group has a significant dependency on labour for its production operations. The Group manages this risk through gradual enhancement of the production facilities and automation of key processes to reduce manpower requirements.

The Group faces foreign currency risk as sales of its products and purchases of certain raw materials are denominated in foreign currencies. The Group has in place a mechanism to monitor currency fluctuation for costing and quotation purposes. It also uses foreign currency accounts and hedges trade receivables in foreign currencies to manage fluctuations in exchange rates of those currencies.

OUTLOOK

The global market remains uncertain with the on-going Israel-Hamas conflict, Russia-Ukraine war and the rising of global inflation rate and interest rate. The Group foresees a more challenging business environment for financial year ending 31 May 2025. However, the Group will continue its effort in mitigating the impact on its operating results.

DIVIDEND

The Board did not recommend any dividend payment for the financial year ended 31 May 2024.

On 10 July 2024, the Board declared a Special Dividend of RM0.20 per share amounting to RM8,884,340 for the financial year ending 31 May 2025. The Special Dividend was paid out on 5 August 2024 to depositors registered in the Record of Depositors on 25 July 2024.

APPRECIATION



We wish to express our deepest appreciation to our shareholders, customers, business associates, regulatory bodies, financial institutions and suppliers for their assistance and continued support. We will continue to uphold your trust and confidence in the Group. We wish to extend our heartfelt thanks to the management and all associates of the Group for their dedication, hard work and loyalty that are seeing us through our challenges. The Group continues to remain strong as a result of the concerted effort of the entire team.



BOARD OF DIRECTORS



DATO' SRI TAN HAN CHUAN

Non-Executive Chairman

Aged 57
Gender Male
Nationality Malaysian

Dato' Sri Tan was appointed to the Board of the Company on 6 August 2024, and was re-designated as Non-Executive Chairman on 20 August 2024. He holds a Bachelor of Science degree in Business Administration, majoring in Finance and Operations from Boston University, U.S.A. Dato' Sri Tan joined Jasa Kita Trading Sdn Bhd, a wholly-owned subsidiary company of Jasa Kita Berhad, in 1991 and has since been involved in the management of the Jasa Kita Berhad Group. Dato' Sri Tan is also a Director of JKG Land Berhad and Jasa Kita Berhad.



MR. GUAN SHAW YIN

Executive Director

Aged 46
Gender Male
Nationality Malaysian

Mr. Guan Shaw Yin was appointed as an Executive Director of the Company on 28 April 2008. He was re-designated as Managing Director on 1 June 2022. On 13 August 2024, Mr Guan was re-designated as Executive Director. He is primarily involved in manufacturing, logistic, finance as well as the quality control and assurance procedures of the Group. He holds a bachelor degree in Business Administration from Northwood University, USA. and joined Eurospan since 2006.



DATO' THOR POH SENG

Non-Independent Non-Executive Director

Aged 64
Gender Male
Nationality Malaysian

Dato' Thor was appointed to the Board of the Company on 6 August 2024. On 6 September 2024, Dato' Thor was appointed as member of the Board's Nomination Committee and Remuneration Committee. Dato' Thor holds a Bachelor of Engineering degree from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) and a Master in Business Management Degree from the Asian Institute of Management, Philippines. Dato' Thor has served on the Board of several public listed companies since 1993, with business activities covering a wide range of industries. He brings a wealth of experience in multiple industries, including finance, engineering, manufacturing, shipping and property development, accumulated in a career spanning over four decades. Currently, he is also Director of FCW Holdings Berhad and JKG Land Berhad.



BOARD OF DIRECTORS


**MR.
TAN KOK LEONG**
Non-Independent Non-Executive Director
Aged 28

Gender Male

Nationality Malaysian

Mr. Tan was appointed to the Board of the Company on 13 August 2024. Mr. Tan graduated in 2020 with a Bachelor of Science in Business Administration, majoring in Business Administration with a Minor in Computer Science, from Suffolk University, Boston. He began his career as an Entrepreneurship and Logistics Supply Chain Intern with ImEx Cargo LLC in Boston and then as a Staff Accountant for DavisKelly CPAs. Mr. Tan is a Director of Time Galerie (M) Sdn Bhd, and currently holds the position of Assistant to the Executive Director of Jasa Kita Berhad Group.


**MR.
ENG BOON KIAT**
Non-Independent Non-Executive Director
Aged 45

Gender Male

Nationality Malaysian

Mr. Eng was appointed as the Director of the Company and a member of the Board's Audit Committee on 13 August 2024. Mr. Eng graduated with a Bachelor of Commerce, majoring in Accounting and Corporate Finance, from the University of Adelaide, Australia. He is also a member of CPA Australia. He began his career as an audit assistant with Price Waterhouse in Singapore. Upon his return to Malaysia, he joined several public listed companies, with business activities covering manufacturing, distribution, trading, construction, and property development, as an internal auditor. He has extensive knowledge and practical experience in the fields of audit and finance within public listed companies.


**MR.
YAP KAN LIN**
Independent Non-Executive Director
Aged 65

Gender Male

Nationality Malaysian

Mr. Yap was appointed to the Board of the Company on 6 August 2024. On 13 August 2024, he was appointed as a member of the Audit Committee of the Board and later re-designated as Chairman of the Audit Committee on 15 September 2024. Mr. Yap was also appointed as a member of the Nomination Committee and Remuneration Committee on 6 September 2024. Mr. Yap holds a Diploma in Architectural & Project, Construction Management. Over the past 35 years, Mr. Yap has gained extensive diverse experience in architectural, property construction and project management focusing on the areas of, amongst others, contracts management, project documentations, implementation and management.


**MS.
HO JONG CHING**
Independent Non-Executive Director
Aged 48

Gender Female

Nationality Malaysian

Ms. Ho was appointed as a Director of the Company and a member of the Board's Audit Committee, Nomination Committee and Remuneration Committee on 15 September 2024. She is a member of CPA Australia and the Malaysian Institute of Accountants (MIA). Ms. Ho obtained her Bachelor of Accountancy from the University of South Australia, with a major in Accounting and a minor in Finance. She is an accomplished Audit Senior Manager with over 24 years of diverse experiences in auditing and accounting. In 2000, Ms. Ho started her career as an Audit Assistant in an audit firm, where she developed a strong base in auditing fundamentals and was later promoted to an Audit Senior. From 2004 to 2009, she worked as a Group Accountant in a public listed company, responsible for comprehensive financial management, reporting, and strategic analysis. Pursuant to that, Ms. Ho returned to the audit sector as an Audit Manager, leading audit teams and overseeing various audit engagements and its complexities. Currently she is an Audit Senior Manager in an audit firm.

KEY SENIOR MANAGEMENT



MS. TAN MEOW YEE

Finance Manager

Aged	34
Gender	Female
Nationality	Malaysian

Ms. Tan Meow Yee is the Finance Manager of the Group. She joined the Group in 2019 as Finance Executive and was appointed to her current role in 2022. She was appointed as Director of a wholly-owned subsidiary of the Company, Eurospan Furniture Sdn Bhd on 7 August 2023. She is responsible for the statutory reporting, corporate governance, financial planning and accounting functions of the Group. Ms. Tan graduated with Bachelor of Accounting Information System (Hons.) at University Utara Malaysia and currently completing ACCA courses. She began her career as an auditor in a local audit firm and follow with trading company before moving to manufacturing industry.



FURTHER INFORMATION ON THE BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT

- **Family Relationship**

None of the Directors have any family relationship with other Directors and/or major shareholders of the Company except for Dato' Sri Tan Han Chuan, a Director and major shareholder, who is the father of Mr. Tan Kok Leong, a Director of the Company.

- **Conflict of Interest**

None of the Directors and key senior management persons have any conflict of interest with the Company except for Mr. Guan Shaw Yin, the Executive Director of the Company and Managing Director of a wholly-owned subsidiary of the Company, Eurospan Furniture Sdn Bhd, which is in the similar business industry with Dynaspan Furniture Sdn Bhd. Mr. Guan is the Managing Director and shareholder of Dynaspan Furniture Sdn Bhd, which supplies component parts to Eurospan Furniture Sdn Bhd for its manufacturing of furniture products.

- **Conviction of Offences**

None of the Directors and key senior management persons have been convicted for offences within the past 5 years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of the Company ("the Board") recognises the importance of good corporate governance reflected in the principles and recommendations set out in the Malaysian Code on Corporate Governance ("MCCG"). The Group strives to ensure that the best practices of corporate governance including accountability and transparency are adhered to as the Board is mindful of its accountability to the shareholders and various stakeholders of the Company.

The Board is pleased to report to the shareholders, the Company's application of the three (3) key principles of the MCCG during the financial year ended 31 May 2024 ("FYE 2024") ("CG Statement"):

- a) Board leadership and effectiveness;
- b) Effective audit and risk management; and
- c) Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Statement should be read together with the Corporate Governance Report 2024 of the Company which is available on the Company's website at <http://www.eurospan.com.my>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Roles and Responsibilities of the Board

The Board is responsible for guiding and monitoring the Company on behalf of its shareholders. In fulfilling its function, the Board assumes, among others, the following responsibilities:

- Providing leadership, reviewing and adopting strategic plans and directions for the Group;
- Overseeing the conduct of the Group's business;
- Ensuring prudent and effective controls and risk management system;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Reviewing the performance of management; and
- Overseeing the overall sustainability strategies and performance of the Group.

The Board has adopted a Board Charter that sets out the division of responsibilities between the Executive Directors, the Non-Executive Directors, and the management team. The Board delegates the day-to-day operation of the business to the Executive Directors and the management team. However, certain functions are specifically reserved for the Board which include the following:

- In conjunction with management, establishing a vision and strategies for the Group;
- Approving the Group's annual business plan and budget;
- Approving specific items of material capital expenditure and investments and divestments;
- Appointing new Directors to the Board;
- Appointing and approving the terms and conditions of appointment of the Managing Director ("MD");
- Approving any significant changes to accounting policies;
- Approving the quarterly financial statements;
- Approving the annual financial statements;
- Approving any interim dividends and recommending any final dividends to shareholders;
- Approving all circulars, statements and corresponding documents sent to shareholders;
- Approving the terms of reference and membership of Board Committees;
- Approving Company policies which may be developed from time to time; and
- Approving major acquisition and disposal of investments, businesses, mergers and acquisitions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I. Roles and Responsibilities of the Board (Cont'd)

Chairman

The Board has appointed a Chairman who is responsible for the conduct of Board meetings and ensures that Board discussions are conducted in a manner that all views are taken into consideration before a decision is made.

The Chairman is responsible for the leadership of the Board and controls the orderly and effective functioning of the Board. He ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board discussions. His role includes:

- providing strategic direction and leadership to executive management;
- leading the Board effectively on all aspects of its role;
- ensuring that appropriate procedures are in place to govern the Board's operations;
- setting the agenda, style and tone of Board deliberations, facilitating effective review, analysis, discussions and contributions by each director with sufficient time allocated for discussion of complex and contentious issues, encouraging constructive debate so as to enable a sound decision making process;
- ensuring accurate and timely information, in particular about the performance of the Company, is furnished to Board members;
- promoting good corporate governance standards within the Group;
- leading efforts to address the Board's developmental needs; and
- chairing of board meetings and general meetings, and ensuring a smooth, open and constructive dialogue between the Board and the shareholders.

Separation of the positions of the Chairman and the Executive Director

Since 20 August 2024, the Chairmanship of the Board is held by a Non-Independent Non-Executive Director. The positions of Chairman and Executive Director of the Company are currently held by different individuals who are not related to each other.

In compliance with Practice 1.4 of the MCCG, the Chairman of the Board is not a member of the Audit Committee, Nominating Committee and Remuneration committee.

Company Secretaries

The Directors have direct access to the advice and the services of the Company Secretaries to assist them to discharge their duties. During the financial year ended 31 May 2024, the Company Secretaries updated the Directors periodically when new statutes and requirements were issued by the regulatory authorities to ensure that the Directors were aware of regulatory developments that affected them in carrying out their responsibilities. The Company Secretaries also made announcements to Bursa Malaysia Securities Berhad ("Bursa Securities") on behalf of the Company and briefed the Board on proposed contents of material announcements prior to their release.

The Company Secretaries convened all Board meetings and attended all Board meetings to ensure that Board procedures were followed and accurate records of the proceedings and resolutions passed were maintained. The Company Secretaries also ensured that the statutory registers were properly maintained at the registered office of the Company.

Access to information and advice

All Directors have full and timely access to information with Board papers distributed in advance of meetings. Agenda and discussion papers, including quarterly and annual financial statements, minutes of meetings and board papers which include reports relevant to the issues of the meetings covering the areas of strategic, financial and operational matters are usually circulated one week prior to Board Meetings to allow the Directors to study and evaluate the matters to be discussed.

If required, the Directors may take independent professional advice in the furtherance of their duties at the Company's expense. Before incurring the professional fee, the Director concerned must seek the approval of the Board. The Directors may access all information within the Group in furtherance of their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I. Roles and Responsibilities of the Board (Cont'd)

Board Charter

The Board has formally adopted a Board Charter which provides guidance to the Board in the fulfillment of its roles, duties and responsibilities which are in line with relevant legislations, regulations, and the principles of good corporate governance. The Board Charter outlines the composition and structure of the Board, the appointment of new Directors to the Board, the Board's powers, duties, and responsibilities including the division of responsibilities between Executive and Independent Non-Executive Directors and management, establishment of Board Committees, remuneration of Directors and processes and procedures for convening Board meetings. The Board Charter also underlines the Board's commitment to compliance with laws, regulations, and its internal Code of Ethics. The Board Charter is subject to periodic review and will be updated from time to time to reflect changes to the Company's policies, procedures, and processes as well as changes to legislations and regulations. The Board Charter is available on the Company's website at <http://www.eurospan.com.my>.

Code of conduct, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy

The Board is committed to uphold compliance with relevant requirements of laws, its Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") in the conduct of the business of the Company. In addition, the Directors observe a Code of Ethics, which was developed by the Board based substantially on the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. The Directors' Code of Ethics is available on the Company's website at <http://www.eurospan.com.my>.

The Group has adopted an Anti-Bribery and Anti-Corruption Policy which sets out parameters to prevent the occurrence of bribery and corrupt practices in the conduct of the Group's business. This policy is to provide information and guidelines to all Directors and employees of the Group on the standard of behaviour which they must adhere to and how to recognise and deal with bribery and corruption.

The Board has also set up a framework for employees and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Company. The Whistleblowing Policy adopted by the Company 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 in good faith without fear of adverse consequences.

The Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy of the Group are available on the Company's website at <http://www.eurospan.com.my>.

Sustainability

The Board takes into account sustainability considerations when exercising its duties. The Board plays its role in overseeing the senior management, consider material sustainability matters in formulating the Group's strategies and business plans including consideration of sustainability risks and opportunities.

The Group's efforts in sustainability is set out in the sustainability statement in this Annual Report.

II. Board Composition

Composition of Board

The Board presently has seven (7) members which comprises of one (1) Non-Executive Chairman, one (1) Executive Director and five (5) Non-Executive Directors, two (2) of whom are Independent Non-Executive Directors. The current composition of the Board ensures that there is a sufficient number of Independent Non-Executive members on the Board such that no individual or group of individuals dominates the Board's decision making.

Given the nature and scope of the Group's operations, the Board considers that the current composition of the Board is of the appropriate size and with the right mix of skills and experience in meeting the Group's current needs and requirements. The profile of each Director is presented on pages 7 to 8 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II. Board Composition (Cont'd)

Tenure of Independent Directors

The MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it should justify and seek annual shareholders' approval.

Shareholder approval through a two-tier voting process must be sought in the event that the Company intends to retain a director who has served the Board as an Independent Director for more than nine years.

Nominating Committee

The Nominating Committee comprises wholly of Non-Executive Directors. Details of the current membership of the Nominating Committee are as follows:

Nominating Committee Members	Directorate
Dato' Thor Poh Seng	Non-Independent Non-Executive Director
Mr Yap Kan Lin	Independent Non-Executive Director
Ms Ho Jong Ching	Independent Non-Executive Director

The key duties and responsibilities of the Nominating Committee include, amongst others, the following:

- To assess and recommend to the Board all candidates for directorships to be filled by the shareholders, the Board or any other stakeholder;
- To assess the contribution of each individual Director, the effectiveness of the Board as a whole and the Committees of the Board;
- To review the required mix of skills, experience, gender diversity and other qualities, including core competencies, of the members of the Board;
- To review the balance of Executive and Non-Executive Directors (including Independent Directors) and the size of the Board with an aim to achieving a balance of view and effectiveness of the Board;
- To review and assess the independence of Independent Directors on the Board; and
- To review the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

The terms of reference of the Nominating Committee is available on the Company's website at <http://www.eurospan.com.my>.

The Nominating Committee has met once during the financial year, in carrying out an annual review of the Board, its Committees and the contribution of individual Directors to the Company.

Directors' fit and proper policy

The Nominating Committees' responsibilities include the development and review of the criteria to be used in the recruitment of Board members and the annual assessment of Directors. The criteria use in considering potential Board candidates as well as the annual assessment of Board members are set out in the Directors' Fit and Proper Policy which is available on the Company's website at <http://www.eurospan.com.my>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II. Board Composition (Cont'd)

Gender diversity

The Company strives to adhere to a practice of non-discrimination and selection based on merit in recruitment. It is also mindful of encouraging gender diversity at all levels including the selection of senior management personnel and Board members. The Board acknowledges the importance of boardroom diversity and has always been in support of non-discrimination on the basis of gender, age, race and religion. The recent appointment of a female member to the Board reflects the Board's commitment in recognising female representation on the Board and encourages Board deliberations from different perspectives.

Annual assessment of Board members

An assessment of the Board is undertaken annually. The evaluation is carried out by way of questionnaires sent to each Director. The questionnaires cover the composition, role, procedures and practices of the Board as a whole and the assessment of each Director's performance by each of his peers. The individual responses to the questionnaires are confidential to each Director, with questionnaire responses summarised for consideration by the Nominating Committee and subsequently reported back to the Board.

The Nominating Committee has also conducted an annual review on the terms of office and performance of the Audit Committee and its members. Each member assessed the performance of his peers and the Audit Committee as a whole to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference of the Audit Committee.

An evaluation of the Board and the Audit Committee took place towards the end of the financial year in accordance with the processes described above.

Annual assessment of Independent Directors

The role of the Independent Directors is to bring independent and objective judgment to the Board which mitigates risks arising from conflict of interest or undue influence from interested parties and protects the interest of minority shareholders. The Board recognises that it is important to periodically assess whether a Director who is designated as independent continue to satisfy such designation.

During the financial year, the Board carried out an assessment on each of the Independent Director. In addition, all the Board members were required to evaluate whether each of the Independent Director had continued to show independent and objective judgment in deliberations at Board meetings as well as his conduct outside of Board meetings in matters relating to the Group's affairs. Based on the evaluation carried out, the Board of Directors concluded that the Independent Directors satisfied the criteria of independence set by the Board.

Time commitment of Directors

The Board is mindful of the importance of devoting sufficient time to carry out their responsibilities, regularly updating their knowledge and enhancing their skills. Each Director is expected to commit sufficient time as and when required to discharge their responsibilities. Each Director of the Company does not hold more than five (5) directorships in public listed companies, in line with the Listing Requirements.

The Board has pre-scheduled meetings annually which dates are set in advance so as to facilitate the Directors' time planning. Each Board member is expected to attend at least 50% of the total Board Meetings held in any applicable financial year.

Board members may also be nominated to serve on Board Committees which hold their own meetings. Directors and Board Committee members are furnished with papers, reports, and material relevant to the issues to be discussed prior to the meetings and are expected to review such material beforehand so that meaningful discussion can take place during meetings. This expectation of time commitment is communicated to new Board members before they are appointed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II. Board Composition (Cont'd)

During the financial year ended 31 May 2024, there were five (5) Board meetings held. The commitment of the Directors in carrying out their duties is reflected in full attendance of all the Directors at Board meetings held during the financial year as shown below:

Name of Director	Designation	Attendance
Guan Kok Beng (resigned w.e.f. 13.08.2024)	Executive Chairman	5/5
Guan Shaw Yin (re-designated w.e.f. 13.08.2024)	Executive Director	5/5
Guan Shaw Kee (resigned w.e.f. 13.08.2024)	Deputy Managing Director	5/5
Sim Yee Fuan (resigned w.e.f. 06.08.2024)	Independent Non-Executive Director	5/5
Ch'ng Lay Hoon (resigned w.e.f. 06.08.2024)	Independent Non-Executive Director	5/5
Ting Hon Sum (appointed w.e.f. 28.07.2023) & (resigned w.e.f. 06.08.2024)	Independent Non-Executive Director	5/5
Dato' Sri Tan Han Chuan (appointed w.e.f. 06.08.2024) & (re-designated w.e.f. 20.08.2024)	Non-Executive Chairman	*
Dato' Thor Poh Seng (appointed w.e.f. 06.08.2024)	Non-Independent Non-Executive Director	*
Yap Kan Lin (appointed w.e.f. 06.08.2024)	Independent Non-Executive Director	*
Eng Boon Kiat (appointed w.e.f. 13.08.2024)	Non-Independent Non-Executive Director	*
Tan Kok Leong (appointed w.e.f. 13.08.2024)	Non-Independent Non-Executive Director	*
Ho Jong Ching (appointed w.e.f. 15.09.2024)	Independent Non-Executive Director	*

* The Board members were appointed after the financial year ended 31 May 2024.

Continuing education programmes

All the Directors, except for a newly appointed Director member, have completed the Mandatory Accreditation Programme (Part I), prescribed by Bursa Securities. The Directors recognise the need to continue to undergo relevant training programmes to update their knowledge and enhance their skills where relevant to enable them to sustain their active participation as a Board member.

Newly appointed Director(s) will be provided with a brief induction of the Group for an insight of the Group's business operations and financial performance. In addition, the Board is updated by the Company Secretaries from time to time on changes of statutory requirements.

During the financial year ended 31 May 2024, the Directors of the Company had attended seminar or conference organised externally. The programmes attended by the Directors during the financial year, include the following:

- Malaysian 2023 Budget;
- Corporate Governance & Remuneration Practices For the ESC World
- Data & Compliance Report 2022 Clinic
- Starting & Managing Corporate Sustainability & ESG Strategy
- Malaysia's Withholding Tax Policy

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

III. Remuneration

Remuneration policies and procedures

The Remuneration Committee presently comprises wholly of Non-Executive Directors. Details of the current membership of the Remuneration Committee are as follows:

Remuneration Committee Members	Directorate
Dato' Thor Poh Seng	Non-Independent Non-Executive Director
Mr Yap Kan Lin	Independent Non-Executive Director
Ms Ho Jong Ching	Independent Non-Executive Director

The Remuneration Committee recommends the remuneration for the Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. Individual Directors abstain from deliberations and voting on the decision in respect of their own remuneration.

The Board recognises that the remuneration package should be sufficient to attract, retain and motivate Directors of caliber needed to run the Group successfully. The remuneration of Executive Directors is generally based on their experience, responsibilities held, market conditions and the Group's overall financial performance. The remuneration of Non-Executive Directors is by way of fixed annual fees. Decisions and recommendations of the Committee are reported back to the Board for approval and where required by the rules and regulations governing the Company, for approval of shareholders at the AGM.

The Remuneration Committee met once during the financial year.

The key duties and responsibilities of the Remuneration Committee include the following:

- To recommend to the Board of Directors the policy framework and remuneration structure of the Executive and Non-Executive Directors.
- To review and present recommendations to the Board of Directors regarding the remuneration and conditions of service of the Executive Directors in all its forms including the grant of entitlements under any share schemes.
- To review superannuation benefits for the Executive Directors of the Company.
- To review the retirement and termination systems.
- To consider other fringe benefits issues that may arise from time to time.
- To review indemnity and liability insurance policies for the Directors and Officers of the Company.
- To seek external advice in drawing up its recommendations where necessary.
- To ensure that Directors play no part in the decisions on their own remuneration.

The terms of reference of the Remuneration Committee is available at the Company's website at <http://eurospan.com.my>.

Directors' Remuneration

The details of the Directors' remuneration paid/payable to the Directors of the Company and the Group for the financial year ended 31 May 2024 are tabulated in the Corporate Governance Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The current Audit Committee of the Board of Directors of the Company comprises 3 Non-Executive Directors, with a majority of them being independent, and is chaired by an Independent Director.

The Audit Committee's composition and performance are reviewed by the Nominating Committee annually and recommended to the Board for its approval.

In order to maintain an independent and effective Audit Committee, the Nominating Committee ensures that majority of the Audit Committee members appointed are Independent Non-Executive Directors who are financially literate and possess an appropriate level of expertise and experience. The Audit Committee shall ensure that any former key audit partner of the Group's auditors observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Suitability and Independence of External Auditors

The external auditors fulfill an essential role in giving assurance to the shareholders and other parties of the reliability of the financial statements of the Company. The Company has always maintained a formal and transparent relationship with the external auditors in ensuring the Company's compliance with applicable approved accounting standards and statutory requirements.

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee's terms of reference.

The Audit Committee is responsible for recommending the appointment or re-appointment of external auditors. In assessing the suitability of external auditors, the Audit Committee will ensure that only firms which have experience in the audit of listed companies and are registered with the Audit Oversight Board will be considered.

The Audit Committee recognises that the regular provision of non-audit services by the external auditors may lead to impairment of the external auditor's independence and objectivity. The external auditors are therefore not normally engaged for non-audit related services. However, the external auditors may be engaged for services related to corporate exercises carried out by the Group from time to time, which are not regular in nature, for which the engagement of the external auditors may be deemed to be more effective for the Group. The external auditors have affirmed that members of their engagement team and the firm have complied with the relevant ethical requirements regarding independence in the conduct of their audit engagement.

The Audit Committee had assessed the performance and independence of the external auditors for the financial year under review. The Board of Directors approved the Audit Committee's recommendation to seek shareholders' approval for the re-appointment of the external auditors at the forthcoming AGM of the Company.

II. Risk Management and Internal Control Framework

Framework to manage risks

The Board is responsible for establishing a sound framework to manage risks and maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets as required by the MCCG. The Directors also have a general responsibility for taking reasonable steps to prevent and detect fraud and other irregularities. The Statement of Risk Management and Internal Control as set out in this Annual Report provides an overview of risk management and the state of internal control within the Group for the financial year ended 31 May 2024.

Internal audit function

The Board has outsourced its internal audit activities to a professional service firm ("Internal Auditors") to serve as the internal audit function. The Internal Auditors report directly to the Audit Committee. The outsourcing of the internal audit function with a direct reporting line to the Audit Committee helps to ensure that internal audit is carried out objectively and is independent from the management of the Company and the functions which it audits. The personnel who carry out internal audit work are free from any relationships or conflict of interest which could impair their objectivity and independence.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control Framework (Cont'd)

Internal audit function (Cont'd)

In appointing the Internal Auditors, the Board and the Audit Committee has taken into consideration that the firm has experience in providing internal audit services to listed companies and is adequately staffed with a team of qualified, competent, and experienced personnel to carry out the internal audit assignments.

The internal audit work has been carried out in line with guidelines of the International Professional Practice framework. The scope of work in internal audit is carried out in accordance with an internal audit plan approved by the Audit Committee. The audit plan is focused on high risk areas identified through the Group's risk evaluation process.

The Audit Committee Report as set out in this Annual Report provides a summary of the internal audit function and the internal audit activities carried out during the financial year.

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

I. Communication with Stakeholders

The Company acknowledges the importance of transparent, timely and equal dissemination of quality material information to shareholders, investors and public at large. As such, the Board observed the Corporate Disclosure Guide issued by Bursa Securities which can be viewed from Bursa Securities' website at www.bursamalaysia.com as well as adhering to and complying with the disclosure requirements of the Listing Requirements.

The Company reaches out to its shareholders through the distribution of its annual report, quarterly financial results announcements, circulars to shareholders, press release and the various disclosures and announcements made to Bursa Securities.

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders. Notice of AGM and Annual Reports are sent to shareholders at least 28 days before the meeting.

During the AGM, shareholders are given opportunities to enquire and comment on matters relating to the Group's business. The shareholders are encouraged to participate in the open question and answer session in the AGM pertaining to the resolutions being proposed at the meeting and the financial performance and business operation in general. The Directors are available to provide responses to questions from the shareholders during the meeting.

In addition, Extraordinary General Meetings ("EGMs") are held as and when needed to obtain shareholders' approval on certain business or corporate proposals. Adequate notice of EGMs, in compliance with regulatory requirements, are sent to shareholders together with comprehensive Circulars/Statements setting out details and explaining the rationale with regards to the matters for which shareholders approval are being sought.

Poll voting

In accordance with the Listing Requirements, the Company will conduct poll voting for all the resolutions put to vote at general meetings of the Company. In addition, the Company will appoint a scrutineer to validate the votes cast at the general meeting.

Communication and proactive engagement with shareholders

AGM and EGM where appropriate remain the most common platform for the Company and the Board to have effective communication and engagement with shareholders about performance, corporate governance and other matters affecting shareholders' interest. In addition, the Board may hold press conference where appropriate to keep shareholders informed of the Group's affairs. Information released to the public will also be made available on the Company's website for shareholders to have easy access.

Compliance Statement

Save as disclosed, throughout the financial year ended 31 May 2024, the Group has complied with all the principles and recommendations of the MCCG.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors is pleased to provide the following Statement on Risk Management & Internal Control of the Group, which had been prepared in accordance with the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers".

Board's Responsibility

The Board of Directors is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The Board of Directors recognises the importance of good corporate governance and is committed to maintaining a sound system of internal control and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the financial year.

The system of risk management and internal control covers finance, operations, management information systems and compliance with relevant laws, regulations, policies and procedures. There is an ongoing process to identify, evaluate and manage significant risks faced or potentially to be encountered by the Group. The process is regularly reviewed by the Board.

Due to the limitations that are inherent in any system of internal controls, these systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives and it can only provide reasonable and not absolute assurance against material misstatement or loss.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control risks, are operated with the assistance of Management throughout the period. The Board has received assurance from the Executive Director and the senior management team that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

The key features of the risk management and internal control systems are described under the following headings:

Risk Management and Internal Control Structure

The Group has an ongoing process for the identification, evaluation, reporting, managing, monitoring and reviewing of the major strategic, business and operation risks within the Group. Both the Audit Committee and Board of Directors review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis. The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

The Board has established a Risk Management Committee ("RMC") which comprises the Executive Director and senior management team to assist in the risk management process within the Group.

The Group has an established internal control structure and is committed to evaluating, enhancing and maintaining the structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. There is a clearly defined operating structure with lines of responsibilities and delegated authority in place to assist the Board to maintain a proper control environment. The control structure and environment are supported by the following activities:

- (a) An organisational structure with clearly defined lines of responsibilities, authority and accountability;
- (b) Documented internal policies, guidelines, procedures and manuals, which are updated from time to time;
- (c) Regular Board and management meetings where information is provided to the Board and management covering financial performance and operation;
- (d) Quarterly review of financial results by the Board and Audit Committee;
- (e) Regular training and development programmes attended by employees with the objective of enhancing their knowledge and competency;
- (f) Existence of risk management team to enhance its risk management practice; and
- (g) Ongoing reviews on the system of internal controls by an independent internal audit function. Results of such reviews are reported to the Audit Committee, which in turn reports to the Board.

In addition, the Executive Director has day to day involvement with the business and are responsible for monitoring risks affecting the business and control activities. These are supplemented by comprehensive and independent reviews undertaken by the internal audit function on the controls in operation in each individual business. The internal auditors independently report to the Audit Committee on the outcome and findings from their reviews.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Risk Management Process

The Board regards risk management as an integral part of business operations. For the year under review, the RMC is assisted by the senior management team from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. The RMC has identified and reviewed the major business risk factors affecting the Group and derive risk management strategies to manage and mitigate the risks identified. The following factors have been considered in the risk assessment:

- (a) The nature and extent of risks facing the Group;
- (b) The extent and categories of risk which it regards as acceptable for the Group to bear;
- (c) The likelihood of the risks concerned materialising; and
- (d) The Group's ability to reduce the incidence of risks that may materialise and their impact on the business.

Control Environment

The Group has in place a proper control environment which emphasises on quality and performance of the Group's employees through the development and implementation of human resources policies and programmes designed to enhance the effectiveness and efficiency of the individual and the organisation.

The Board believes that a sound internal control system reduces, but cannot eliminate, the possibility of poor judgment in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Internal Audit Function

The Board outsourced its internal audit function to a professional firm of consultants to support its internal audit function to provide much of the assurance required regarding the effectiveness as well as the adequacy and integrity of the Group's system of internal controls. Internal audit function adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group. The internal audit plan was presented to and approved by Audit Committee. Periodic internal audit review is carried out and the audit findings are presented to the Audit Committee via internal audit report whilst Management formulates action plans to address issues noted from internal audit to improve the system of internal controls.

During the financial year, the internal audit function carried out reviews on the following areas:

- Risk management
- Inventory management

Based on the internal auditors' report for the financial year ended 31 May 2024, there is a reasonable assurance that the Group's system of internal controls is generally adequate. Nevertheless, the internal control systems will continue to be reviewed, added on or updated in line with changes in the operating environment.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the annual report of the Group for the financial year ended 31 May 2024 and reported to the Board that nothing has come to their attention that cause them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control system.

Conclusion

The Board is of the opinion that the system of risk management and internal control is in place for the year under review, and up to the date of this Statement is sound and sufficient to safeguard shareholders' investment and the Group's assets.

AUDIT COMMITTEE REPORT

1. MEMBERSHIP AND MEETINGS

Details of the membership of the Audit Committee and attendance of meetings during the financial year are as follows:-

Composition of Audit Committee

Present members

Chairman

Mr Yap Kan Lin (appointed w.e.f. 13 August 2024, redesignated as Chairman on 15 September 2024)	Independent Non-Executive Director
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Members

Mr Eng Boon Kiat (appointed w.e.f. 13 August 2024)	Non-Independent Non-Executive Director
Ms Ho Jong Ching (appointed w.e.f. 15 September 2024)	Independent Non-Executive Director

Past Members

Chairman

Mr Sim Yee Fuan (resigned w.e.f. 6 August 2024)	Independent Non-Executive Director
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Members

Ms Ch'ng Lay Hoon (resigned w.e.f. 6 August 2024)	Independent Non-Executive Director
Mr Ting Hon Sum (appointed w.e.f. 28 July 2023) & (resigned w.e.f. 6 August 2024)	Independent Non-Executive Director

Meetings

The Audit Committee held five meetings during the financial year ended 31 May 2024. The attendance records of the Audit Committee members during their tenure as Audit Committee members are as follows:

Audit Committee Members	Meeting Attendance
Mr Sim Yee Fuan	5/5
Ms Ch'ng Lay Hoon	5/5
Mr Ting Hon Sum	5/5

2. TERMS OF REFERENCE OF AUDIT COMMITTEE

The terms of reference of the Audit Committee is available on the Company's website at <http://www.eurospan.com.my>.

The Board of Directors is satisfied that the Audit Committee and its members have discharged their responsibilities during the financial year in accordance with the terms of reference of the Audit Committee.

AUDIT COMMITTEE REPORT

3. SUMMARY OF THE WORK OF THE AUDIT COMMITTEE

During the financial year, the Audit Committee had carried out the following activities to meet their responsibilities as set out in the terms of reference of the Audit Committee:

(a) Financial reporting

- Reviewed the financial performance and financial highlights of the Group at quarterly meetings;
- Reviewed the unaudited quarterly financial results of the Group before recommending the same for Board approval and subsequent release to Bursa Malaysia Securities Berhad; and
- Reviewed the audited financial statements for the financial year ended 31 May 2024 together with the external auditors before recommending the same for Board approval.

(b) External Audit

- Reviewed and approved the external auditors' audit plan for the year ending 31 May 2024 covering the key areas of audit focus and the audit approach for each area identified;
- Received briefing and discussed on amendments to financial reporting standards that were relevant to the Group and may have an impact or require more extensive disclosure in the financial statements of the Group;
- Discussed and agreed to the reporting schedule for completion of the audit to meet reporting deadlines;
- Reviewed points on internal control/recommendations for improvement that were brought up by the external auditors for discussion with management upon completion of the audit. The Audit Committee was informed that there were no significant changes to the scope or audit approach as compared to the audit plan. The external auditors reported that there were no material misstatements that would affect the audited financial results and they have not identified any non-compliance of laws and regulations and fraud related matters or any other major matters to highlight;
- Met two times with the external auditors without the presence of Executive Directors and management staff;
- Reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors, the Audit Committee was satisfied that management had co-operated fully and the external auditors were able to obtain information required to carry out their work;
- Received the external auditors confirmation that there was no matter that may impair the external auditors' professional independence and they complied with the requirements on professional independence and ethics in relation to the audit engagement; and
- Reviewed the audit fees and the performance of the external auditors and was satisfied with the conduct of their professional work and the timeliness of completion of their work to meet the reporting deadline. Accordingly, the Audit Committee recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting.

(c) Internal audit and risk management

- Met with the internal auditors to discuss and approve the internal audit plan drawn up by the internal auditors based on the Group's risk profile to ensure that the relevant controls are in place to properly manage the risks;
- Met the internal auditors twice during the year to review their internal audit/risk management reports with relevant management members including Executive Directors invited to attend the Audit Committee meetings to provide insight and clarification on specific matters raised in the internal auditors' reports; and
- Reviewed status updates from the internal auditors in respect of implementation of management action plans or agreed course of action on the findings reported in previous audit cycles to ensure that issues have been resolved satisfactorily.

(d) Other matters

- Reviewed the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 May 2024 and recommended it to the Board of Directors for approval; and
- Reviewed and approved the Audit Committee Report for the financial year ended 31 May 2024 for inclusion in the Company's Annual Report 2024.

AUDIT COMMITTEE REPORT

4. INTERNAL AUDIT FUNCTION

The Company has outsourced its Internal Audit Function to a professional firm of consultants which is Tan Yen Yeow & Company to assist the Audit Committee in evaluating the adequacy, integrity and effectiveness of the Group's overall internal control system. The principal of Tan Yen Yeow & Company is a member of The Institute of Internal Auditors Malaysia. The internal audit work has been carried out in line with guidelines of the International Professional Practice framework. Their scope of function covers all units and operations of the significant subsidiaries of the Group. The Internal Audit Function reports directly to the Audit Committee.

The cost incurred in maintaining the Internal Audit Function for the financial year ended 31 May 2024 was RM16,000.

5. SUMMARY OF THE WORK OF THE INTERNAL AUDIT

The internal auditors assisted the Audit Committee in discharging its duties and responsibilities by executing independent reviews of the adequacy and effectiveness of the Group's internal control systems. The internal auditors prepared the audit plan for the year that focused on high risk areas. During the financial year, the internal auditors conducted internal audit reviews on areas in accordance with the audit plan approved by the Audit Committee.

The internal audit reports on the reviews carried out, identifying weaknesses with root cause analysis, defined risks ratings based on financial or quantitative impact and suggested recommendations for improvements to management for further action, were presented to the Audit Committee at the Audit Committee meetings. The internal audit reviewed the risks and controls related to the risk management and inventory management of the Group during the financial year.

The internal auditors also provided status updates to the Audit Committee in respect of implementation of corrective action plans or best practices that were reported and agreed with the management in previous audit cycles during those meetings. The internal audit and risk management review carried out during the financial year did not reveal material weaknesses which may result in material losses or contingencies that may affect the Group.

SUSTAINABILITY STATEMENT

OUR COMMITMENT TO SUSTAINABILITY

The Board of Directors of Eurospan Holdings Berhad ("Eurospan") ("Board") is pleased to present the Sustainability Statement ("Statement") for the financial year ended 31 May 2024 ("FY2024"). This Statement has been prepared in accordance with the Sustainability Reporting Guide ("Guide") issued by Bursa Malaysia Securities Berhad ("Bursa Securities").

This Statement covers Eurospan and its wholly-owned subsidiaries located in Malaysia ("the Group"). The Group's principal activities comprise of manufacturing and trading of furniture and wood-based products and investment holding. The Guide provides guidance on how to embed sustainability in Group's organisation and helps the Group to identify, evaluate and manage the Group's material economic, environmental, social governance risk and opportunities.

Sustainability practices should be embedded and integrated into the business operations of an organisation rather than on a standalone basis, to ensure continuity, relevance and sustainability of the business. In order to embed sustainability effectively, the Board has committed to lead the sustainability development efforts and responsible to identify material sustainability matters, formulate the related sustainability initiatives and practices and overseeing their implementation and performance.

GOVERNANCE STRUCTURE

The Board is responsible for oversight of the sustainability strategies of the Group. It ensures that the Group's business strategies give due considerations to all aspects of sustainability as prescribed by Bursa Securities. The Board has established a Risk Management Committee ("RMC") which comprises the Executive Director and senior management team to assist in the implementation of sustainability strategies. It identifies and evaluates overall sustainability risks and opportunities and manages sustainability matters of the Group. The RMC also oversees the sustainability management at each subsidiary or business unit.

STAKEHOLDERS

The Group acknowledges the involvement of stakeholders is fundamental to achieving the Group's sustainability goals as direct engagement with our internal and external stakeholders enables the Group to have access to feedback and insights which enable us to bridge the gap between their expectations and our actions. A summary of the various types of stakeholder engagements are listed in the table below:-

Stakeholders	Focus areas	Type of Engagement
Shareholders and Investors	<ul style="list-style-type: none"> Group financial performance Operation in compliance with applicable laws and regulations 	<ul style="list-style-type: none"> Annual General Meeting Annual Report Quarterly financial results Investor relations channel Corporate website
Employees	<ul style="list-style-type: none"> Career development and training Occupational health and safety Working condition and welfare 	<ul style="list-style-type: none"> Performance appraisal exercise Regular safety inspection Training and development Meetings and discussions
Government and Regulatory Bodies	<ul style="list-style-type: none"> Regulatory compliance Corporate governance 	<ul style="list-style-type: none"> Participating in programmes to keep abreast with changes in rules and regulations Audit or inspection visit by authorities
Customers	<ul style="list-style-type: none"> Products quality and timely delivery Customer satisfaction Sustaining long-term relationship 	<ul style="list-style-type: none"> Customer satisfaction survey Frequent customer engagement and interaction Products brochures On-site factory visit
Suppliers	<ul style="list-style-type: none"> Sustainable and consistency in supply Products quality 	<ul style="list-style-type: none"> Supplier evaluation and selection process Regular meetings and correspondence
Local communities	<ul style="list-style-type: none"> Corporate social responsibility 	<ul style="list-style-type: none"> Donations Community or engagement programmes

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS

Sustainability matters are the risks and opportunities arising from the economic, environmental, social and governance (“EESG”) impacts of our organisation’s operations and activities and sustainability matters are considered material if they reflect the Group’s significant EESG impacts or substantively influence the assessments and decisions of the Group’s stakeholders.

Based on existing policies and practices, the Group has identified and prioritised the following material sustainability matters which have the greatest impact on the Group’s business operations and stakeholders.

ENVIRONMENTAL SUSTAINABILITY

As a major wood-based furniture manufacturer, the Group believes in the sustainable use of environmentally friendly materials. Majority of our wood materials are Forest Stewardship Council (“FSC”) Controlled wood and are Programme for the Endorsement of Forest Certification (“PEFC”) certified. PEFC certificate is a transparent and independent control system for safeguarding sustainable and thus exemplary forest cultivation. PEFC is also a monitoring system for proof of origin from certified forests via the wood processing companies to the finished product on the shelf.

The Group is in compliance with the environmental laws governing plant operations in areas relating to emission standards and plant effluents management.

Waste Management

The Group is aware of the importance of environmental management arising from the waste generated from manufacturing activities. The Group has categorised waste as scheduled and non-scheduled according to the regulations of the Department of Environment (“DOE”). Scheduled wastes are collected by the DOE approved contractors pursuant to the Environmental Quality (Scheduled Waste) Regulations, 2005 while non-scheduled wastes on the other hand are scrapped or collected by DOE approved contractor to be recycled or disposed of.

The Group encourages all employees to practice reducing, reusing and recycling papers included 2-sided papers are applied on daily printed documents and seeking alternative use for any materials or resources that may be applicable for different purposes within our business. The Group also encourages paperless working environment and practices online E-payment to suppliers, E-notification from human resource department to all employees and E-Annual Report to shareholders.

Energy Management

With a commitment to sustainability, we seek to ensure the sustainability of our business through careful management of our energy consumption. One of the subsidiaries has installed solar system to generate sustainable energy reliably and at the same time have access to real time view of the net energy consumption. Solar power in Malaysia represents a clean green source of energy which can reduce carbon footprint and does not pollute the environment. Other current practices taken by the Group included setting all the air conditioners at a fixed temperature setting, switching off lights and air-conditioners or other electrical appliances immediately when they are not in use.

Year

2024

Energy Consumption (Megawatt)

2,060.09

Water Management

As part of the Group’s environmental initiatives, we are dedicated to reduce water consumption and preventing water wastage and pollution. Consistency on monitoring water meter readings aids in curbing excessive usage and identifying any water loss resulting from leaks.

Year

2024

Water Consumption (Megalitres)

17.91

SUSTAINABILITY STATEMENT

ECONOMIC SUSTAINABILITY

The Group acknowledges that product quality and customers' satisfaction are of the highest priority to the Group's business continuity. The research and development team has been continuously putting effort on new products development with improvement in furniture design and quality to ensure the products provide comfort and durability.

The management regularly communicates with our customers to gather feedback in respect of our product quality, services, delivery and etc. to meet customers' ever-changing needs. During the FY2024, there was no major non-compliance of product quality which resulted in significant product return and neither was there any major complaint from customers.

Supply Chain Management

The Group engages in responsible procurement practices whereby proper procedures are laid down to ensure that any procurement made is evaluated and approved following the procedures and policy. The Group only source the materials from approved vendors which meet acceptable and ethical business practices. In this respect, vendors are required to submit a Supplier Declaration Form which declares on the conflict of interest, compliance with laws, payments terms etc.

Our officers are expected to conduct themselves ethically. We will not tolerate any corrupt practices in all business dealings and any breach of this policy will be dealt with severely.

Local Procurement

Engaging in local procurement brings significant social and economic benefits. By supporting local businesses, the Group actively stimulates economic development, create opportunities for growth and innovation.

However, in certain circumstances, relying on foreign supplies may be unavoidable, particularly for raw materials not easily available locally. Nonetheless, the Group consistently seek ways to reduce the reliance on foreign supplies.

Year	2024
Proportion of spending on local suppliers	62%

SOCIAL SUSTAINABILITY

The Group's social commitment covers our responsibility to our employees and the community living within close proximity to our manufacturing facilities. We are committed to engage with each stakeholder group to understand their needs more clearly so that we can improve our social impact on all stakeholders and provide better opportunities for collaboration that is both beneficial to our business as well as to our employees and communities around us.

We believe employees are our greatest assets; we value our people and know that they are vital to our business. They are keys to sustaining a growing business particularly in providing excellent customer service and delivering consistent quality and safe products to our customers. Providing our employees with good working conditions, reasonably good benefits and keeping our people safe, healthy and closely engaged is of utmost importance to us.

Workforce Diversity and Equal Opportunity

The Group promotes principles of equality and practices no discrimination against employees on race, belief, gender and sexual orientation. There are equal opportunities for all employees within the Group.

The remuneration of an employee is strictly based on skill, merit and qualification and is governed by the pay scale of a particular grade. The management monitors that employee affairs are conducted in accordance with the Employment Act 1965. There is approximately equal number of employees of each gender in the management and executive position while male workers made up higher number in production areas due to the job requirement which are physically more demanding.

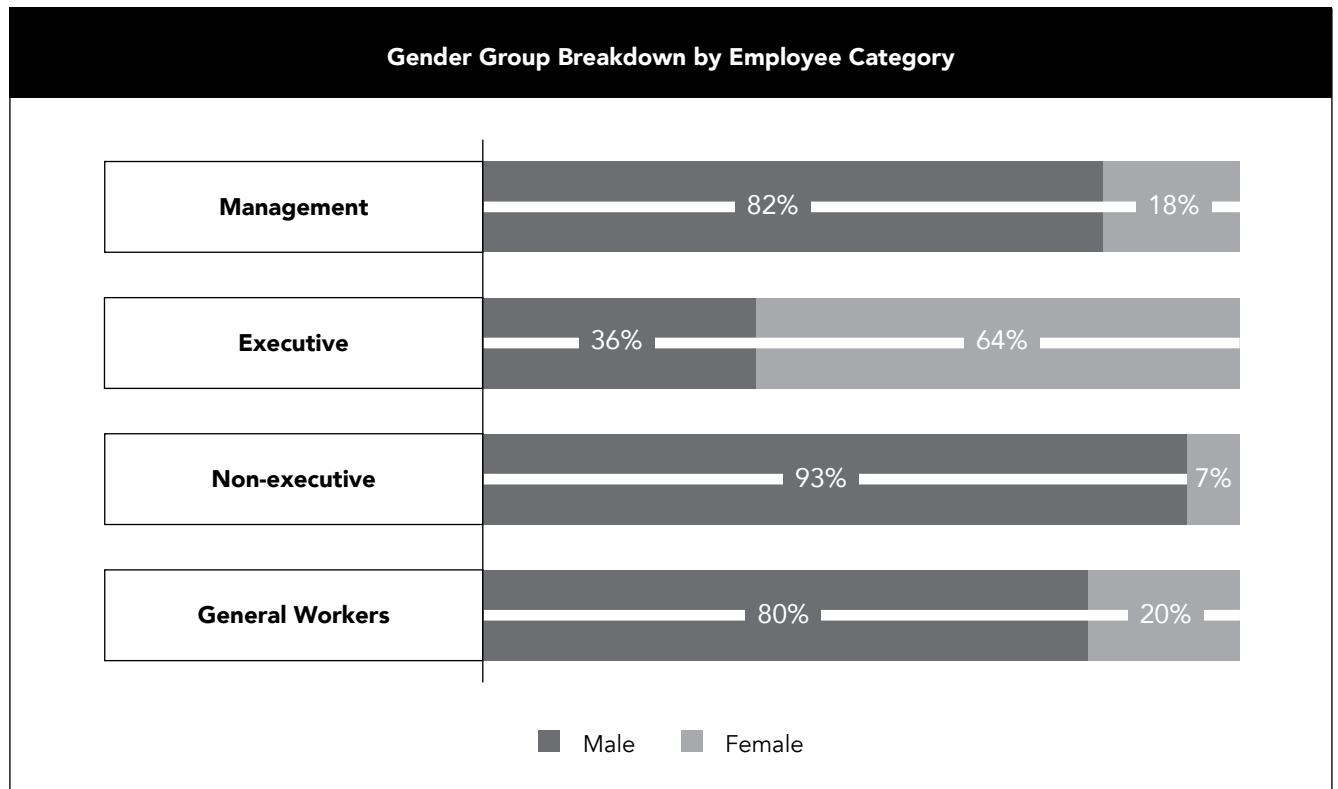
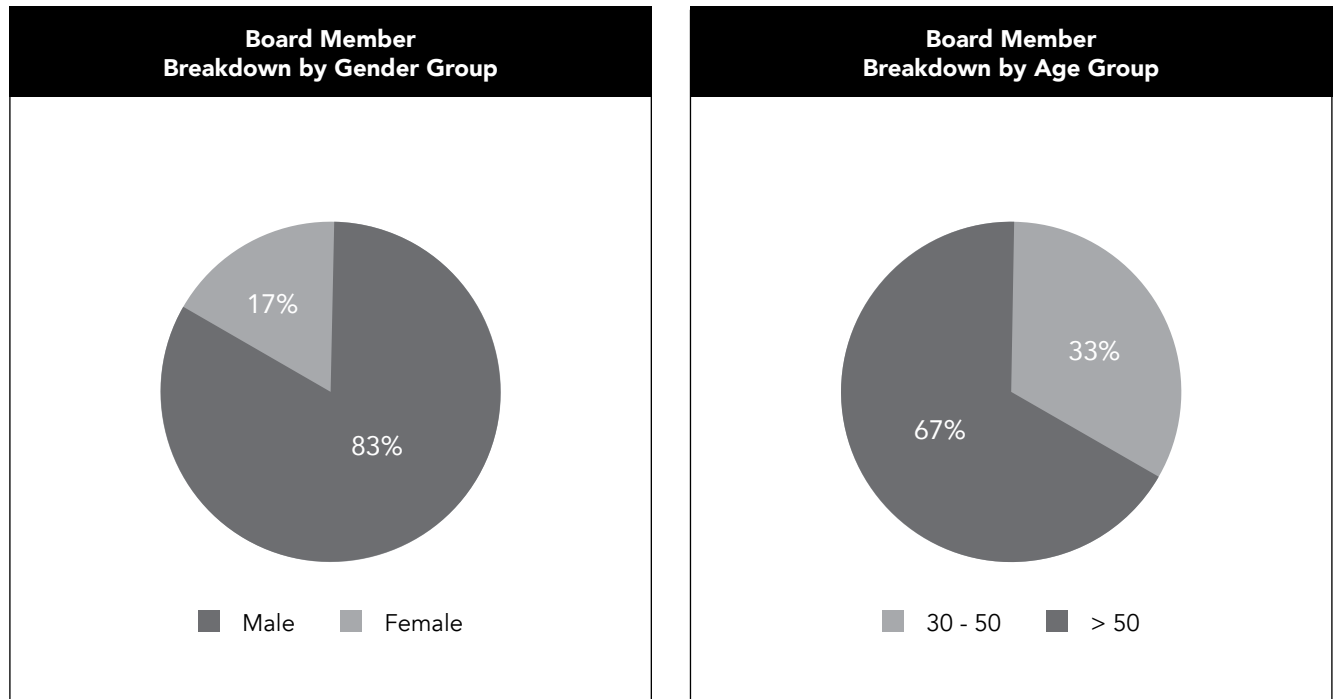


SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY (CONT'D)

Workforce Diversity and Equal Opportunity (Cont'd)

The employee distribution as of 31 May 2024 are as per below:-

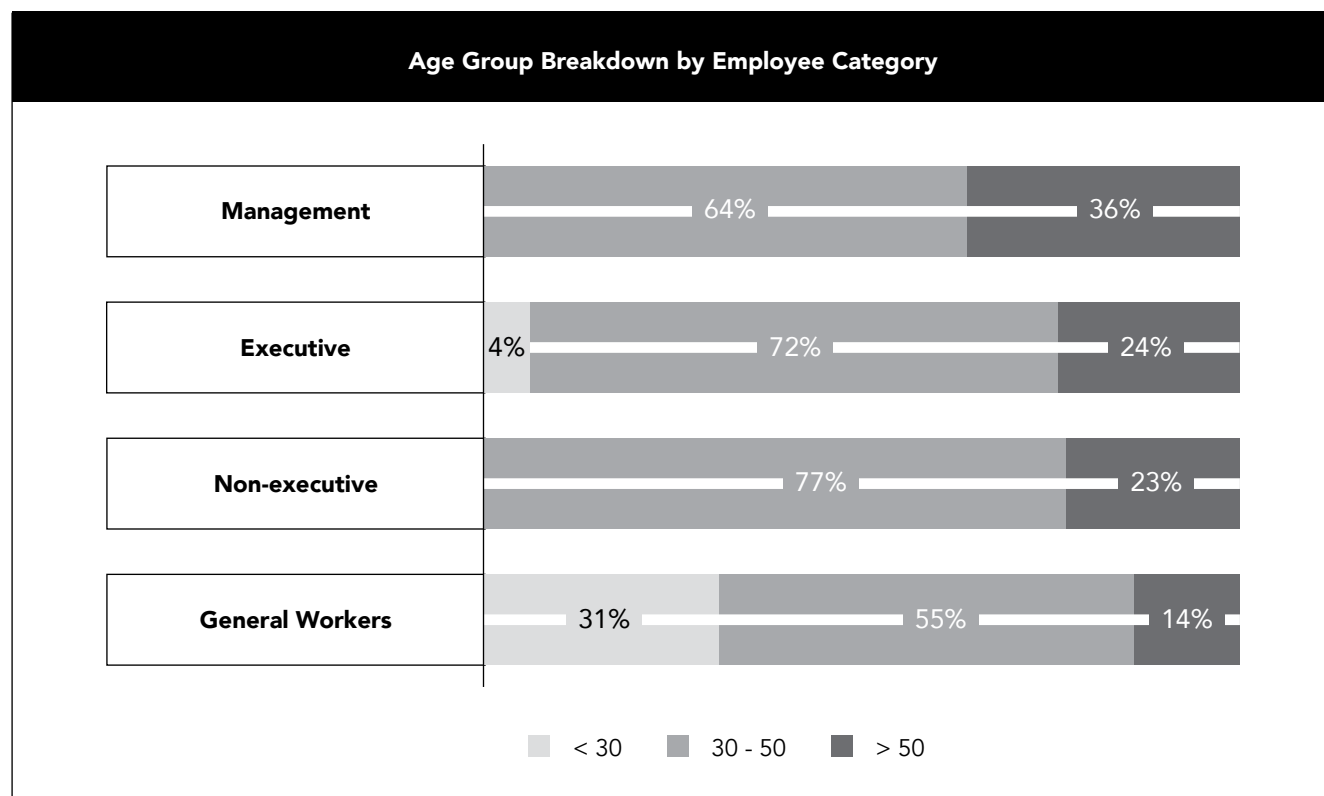


SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY (CONT'D)

Workforce Diversity and Equal Opportunity (Cont'd)

The employee distribution as of 31 May 2024 as per below:- (Cont'd)



Total Number of Employee Turnover by Employee Category		2024
Management		0
Executive		14
Non-Executive		13
General Workers		57

Year		2024
Percentage of employees that are contractors or temporary staff		1.76%

SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY (CONT'D)

Human Rights and Labour Practice

The Group is highly committed in creating and maintaining an environment that respect and support human rights and ensuring compliance with applicable regulations and law as part of being a good corporate citizen. We continually review and address human rights and labour practice risks and opportunities in our business operations where it is the right thing to do. This helps us to build trust with stakeholders, operate business activities responsibly and manage these risks.

We believe there is an undeniable link between social sustainable development and human rights coupled with good labour practice. As a responsible corporate citizen, we respect and recognise universal human rights and require our people to report any human rights abuse and issues that arise in our business operations. As a good corporate citizen, the Group offers a respectful working place which is free from harassment, violence, discrimination and other inappropriate behaviour, conduct and action.

Year	2024
Number of substantiated complaints concerning human rights violations	Nil

Sexual Harassment

The Group views sexual harassment as a serious misconduct that undermines the respect of employees' working relationship. Sexual harassment in workplace could be possibly expected to make a person feel offended, humiliated or intimidated due to unwelcome sexual behaviour by their working colleagues. Following the Group's code of conduct under the clause titled "Forms of Sexual Harassment", it is stated that sexual harassment encompasses all forms of verbal, non-verbal or gestural, psychological, visual and physical harassment.

Any employee found guilty of any form of sexual harassment will face disciplinary action which ranges from a final warning to dismissal.

Child and Forced Labour

The Group prohibits any form of child and forced labour in our value chain and business activities. Our policy forbids child labour and our recruitment procedures strictly verify that the age of our potential employees is legal for work.

Our compliance with the Children and Young Persons (Employment) Act 1966 shows our support in prohibiting child labour and minors for work. We continuously monitor the compliance in all factories to ensure adherence to this policy. We have a clear policy in place that guides us to act in the best way if child and forced labour is discovered in our business operations and activities.

Occupational Health and Safety

Safety is a non-negotiable priority and a vital part of our working culture. As a Group of manufacturing companies, we are committed to provide a safe and healthy work place for our employees. The Group's occupational health and safety policy exists which provides a clear emphasis on the principles and values that we subscribe to:

- Ensure compliance of local regulations and respective policies and law;
- Encourage and implemented employee's responsibility for safety and health at the workplace; and
- Actively organising occupational safety and health programs to create an awareness and culture to the employees.

The Group has an existing Occupational Health and Safety policy and a formal Safety and Health ("SH") Committee in every factory with the objective to ensure that all the necessary procedures, code of conduct and policy are put in place in order to prevent and minimise workplace incidents and injuries to our employees.

We also commit to continuously provide trainings and briefings on matters related to Fire Safety, First Aid Training, Fire Drill in order to inculcate a culture of safety first in our workplace. Fire Safety Awareness Training was conducted by the Group with the objective to create greater awareness. To ensure our employees are knowledgeable in fire prevention at the workplace, our SH Team conducts Fire Drills at least once every year in the respective factories.

Regular safety inspections are carried out to identify the potential risks and immediate corrective actions are taken to address the shortcomings. A major industrial accident is defined as severe injuries and/or loss of human life, death or permanent or prolonged disability to the injured employee. During the FY2024, the Group has achieved zero work-related fatalities among the employees and we strive to maintain this record as our long-term commitment.

Year	2024
Number of work-related fatalities	Nil
Lost time incident rate ("LTIR")	Nil
Number of employees trained on health and safety standards	171

SUSTAINABILITY STATEMENT

SOCIAL SUSTAINABILITY (CONT'D)

Human Capital and Employee Welfare

The Group acknowledges that the sustainability of the Group is highly dependent on strong human capital. As the Group strategically grows and develops its operations, we look at providing our employees with the best avenue for career and personal development. A training master plan has been developed to provide adequate training opportunities for employees to develop their technical skills and knowledge.

Total Hours of Training by Employee Category		2024
Management		89
Executive		183
Non-Executive		71
General Workers		108

During the financial year, the Group managed to identify and organise various job-skills related training to equip employees with improved skills and knowledge.

The Group also provided employees with suitable and adequate mechanism to voice out their issues or comments through our performance evaluation exercise which was carried out for all employees during the year. For employee with less than one year service, there are total four appraisals to be carried out while for employee with more than one year service, two appraisals will be conducted per year. The assessment process allows the respective superior to highlight constructive input with regards to an employee's performance as well as for employees to share any concerns or feedbacks to the Group. Eventually, we hope to achieve an open workplace culture focused on impartial and approachable engagement platforms between every tier of our employees.

Engaging our communities

Part of being a responsible business is supporting the local community in meeting societal needs. As such, the Group always attempted to play an active role in fulfilling our social responsibility and to promote its awareness among us and other stakeholders within our network. The Group's initiatives in the community seek to make a positive social contribution by providing financial assistance and participating in fundraising and awareness programmes.

During the financial year, the Group has not made any contributions to the local community. However, the Group takes this matter seriously and will continue to actively seek opportunities to support the community moving forward.



SUSTAINABILITY STATEMENT

GOVERNANCE

TRANSPARENCY AND INTEGRITY

In addition to prioritising business performance, the Group acknowledges the importance of integrity and transparency in sustaining the business. The Board and Management are dedicated to fostering a positive corporate culture that encourages ethical and professional behaviour among all employees.

The Board has implemented essential policies and procedures, such as the Code of Ethics and Conduct, Whistleblowing Policy, and Anti-Bribery and Corruption Policy. More information regarding the Group's corporate governance practice during the financial year can be found in the Corporate Governance Overview Statement in the Annual Report 2024.

Anti-Fraud, Bribery and Corruption

During the financial year, the Group did not incur any fines from regulatory authorities due to non-compliance or misconduct in anti-corruption matters. The Group also reported zero incidents of corruption.

Year	2024
Percentage of employees who have received training on anti-corruption by employee category	<ul style="list-style-type: none"> • Management • Executive • Non-Executive • General Workers
Percentage of operations assessed for corruption-related risks	Nil
Confirmed incidents of corruption and action taken	Nil

The Group did not provide any anti-corruption training to employees during the financial year. However, external training on anti-corruption is currently being sourced and is expected to be completed by December 2024.

Code of Conduct and Ethics

This Code is applicable to Directors of the Group in their dealings with each other and all stakeholders of the Group. The Board is committed to uphold compliance with relevant requirements of laws, Constitution and the Listing Requirements of Bursa Securities in the conduct of the business of the Group. In addition, the Directors observe a Code of Ethics, which was developed by the Board based substantially on the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

Whistle Blowing Policy

The Group's Whistle Blowing Policy ("WP") promotes an environment of integrity and ethical behaviour within the Group. The WP provides an avenue for employees or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines, in a safe and confidential manner.

The WP which can be viewed on our Company's website at <http://www.eurospan.com.my>, are reviewed regularly to ensure they reflect any changes in legislative requirements and the business environment.

Data Privacy and Security

Ensuring data privacy and security fosters trust between institutions and the public, encourages transparency, and ensures accountability in data handling practices.

Year	2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil

SUSTAINABILITY STATEMENT

STATEMENT OF ASSURANCE

In strengthening the creditability of the Sustainability Statement, selected parts of this Sustainability Statement have been subjected to an internal review by the Company's internal auditors.

The scope and subject matters covered in the review were as follows:-

Material Matter	Subject Matters	Scope
Supply Chain Management	<ul style="list-style-type: none"> Proportion of spending on local suppliers 	Manufacturing and trading operations
Energy Management	<ul style="list-style-type: none"> Total energy consumption 	
Water	<ul style="list-style-type: none"> Total volume of water used 	
Health and Safety	<ul style="list-style-type: none"> Number of work fatalities Lost time incidents rate ("LTIR") Number of employees trained on health and safety standards 	
Diversity	<ul style="list-style-type: none"> Percentage of employees by gender and age group, for each employee category Percentage of directors by gender and age group 	
Labour practices and standards	<ul style="list-style-type: none"> Total hours of training by employee category Total number of employee turnover by employee category Percentage of employees that are contractors or temporary staff Number of substantiated complaints concerning human rights violation 	
Community/society	<ul style="list-style-type: none"> Total amount invested in the community where the target beneficiaries are external to the listed issuer Total number of beneficiaries of the investment in communities 	
Anti-corruption	<ul style="list-style-type: none"> Percentage of employees who have received training on anti-corruption by employee category Percentage of operations assessed for corruption-related risks Confirmed incidents of corruption and action taken 	
Data privacy and security	<ul style="list-style-type: none"> Number of substantiated complaints concerning breaches of customer privacy and losses of customer data 	

✓ CONCLUSION

Going forward, the Group will continue to strengthen the sustainability development efforts by revisiting and reassessing the identified material sustainability matters for recalibration if necessary, and to identify new material sustainability matters for action.

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE DATA TABLE FY2024

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	0.00
Executive	Percentage	0.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	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	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	64.00
Management Above 50	Percentage	36.00
Executive Under 30	Percentage	4.00
Executive Between 30-50	Percentage	72.00
Executive Above 50	Percentage	24.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	77.00
Non-executive/Technical Staff Above 50	Percentage	23.00
General Workers Under 30	Percentage	31.00
General Workers Between 30-50	Percentage	55.00
General Workers Above 50	Percentage	14.00
Gender Group by Employee Category		
Management Male	Percentage	82.00
Management Female	Percentage	18.00
Executive Male	Percentage	36.00
Executive Female	Percentage	64.00
Non-executive/Technical Staff Male	Percentage	93.00
Non-executive/Technical Staff Female	Percentage	7.00
General Workers Male	Percentage	80.00
General Workers Female	Percentage	20.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.00
Female	Percentage	17.00
Under 30	Percentage	0.00
Between 30-50	Percentage	33.00
Above 50	Percentage	67.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	2,060.09
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	171
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	89
Executive	Hours	183
Non-executive/Technical Staff	Hours	71
General Workers	Hours	108
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.76

Internal assurance External assurance No assurance

(*) Restated

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE DATA TABLE FY2024 (CONT'D)

Indicator	Measurement Unit	2024
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	14
Non-executive/Technical Staff	Number	13
General Workers	Number	57
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	61.96
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	17.910000

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements of the Group and the Company for each financial year in accordance with applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards, requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of the Group and the Company as at 31 May 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 31 May 2024 ("Financial Statements"), the Directors have applied appropriate and relevant accounting policies in a consistent manner and made judgments and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been complied with and confirm that the Financial Statements have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and for maintaining internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

OTHER INFORMATION

Status of utilisation of proceeds from corporate proposal

On 24 August 2023, the Company announced its intention to dispose of a subsidiary and properties to related parties. Details of which are provided in Material Contracts of the Other Information included in this report.

The proposed utilisation of the proceeds from the proposed disposal of a subsidiary and properties to related parties amounting to RM54,550,000 is as follows:

Description	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Estimated timeframe for utilised
Distribution of special dividend to shareholders	8,884	8,884	-	Within 1 month from completion of the SSA
Payment for amount owing to DFSB	4,279	2,221	2,058 ⁽¹⁾	Within 1 month from completion of the SSA
Acquisition of new business(es)/asset(s) to be identified	15,000	-	15,000	Within 24 months from completion of the SSA, SPA & TA
Working capital	24,737	2,902	21,835	Within 24 months from completion of the SSA, SPA & TA
Estimated expenses for the Proposals	1,650	1,350	300 ⁽²⁾	Immediately
	54,550	15,357	39,193 ⁽³⁾	

Notes:

- (1) As set out in the Circular to Shareholders dated 20 November 2023, any variation to the amount payable by Eurospan Furniture Sdn. Bhd. ("EFSB") to Dynaspan Furniture Sdn. Bhd. ("DFSB") at completion of the share sale agreement ("SSA") will be adjusted to or from the amount allocated for Group's working capital, of which the allocation will be adjusted accordingly among each category as the management deems appropriate.
- (2) As set out in the Circular to Shareholders dated 20 November 2023, any variation to the estimated expenses relating to the Proposals will be adjusted to or from the amount allocated for the Group's working capital, of which the allocation will be adjusted accordingly among each category as the management deems appropriate.
- (3) As set out in the Circular to Shareholders dated 20 November 2023, the pending unused proceeds will be placed in interest-bearing deposits with financial institutions and/or short-term money markets instruments as the management deems fit.

Audit fees and Non-Audit fees

The audit fees and non-audit fees payable to the external auditors during the financial year ended 31 May 2024 are as follows:

	Group RM	Company RM
Audit fees	86,000	29,000
Non-audit fees	4,000	4,000
Total	90,000	33,000

OTHER INFORMATION

Material Contracts

- (i) On 24 August 2023, EFSB has entered into a conditional sale and purchase agreement with DFSB for the disposal of EFSB's properties of 2 parcels of freehold industrial land held under documents of title Geran Mukim 1058, Lot 3564 and Geran Mukim 1059, Lot 3565, both in Mukim 16, Daerah Seberang Perai Utara, Negeri Pulau Pinang, together with the buildings erected thereon to DFSB for a total disposal consideration of RM15,650,000 in cash upon completion of the disposal of DFSB as mentioned in Note 29 (ii) to the financial statements in this report.

The disposal transaction was completed on 6 August 2024.

- (ii) On 24 August 2023, the Company has entered into a conditional share sale agreement with Guan Kok Beng, Guan Shaw Kee and Guan Shaw Yin, the interested directors, for the proposed disposal of 2,600,000 ordinary shares and 15,000,000 non-cumulative shares redeemable convertible preference shares in DFSB, representing the entire equity interest of the Company in DFSB, for a total disposal consideration of RM38,900,000 in cash, which was completed on 2 July 2024.

Save for the above, there were no other material contracts outside the ordinary course of business entered into by the Company and its subsidiaries, involving the interest of the Directors and Major Shareholders which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Recurrent Related Party Transactions of a Revenue or Trading Nature

Pursuant to the financial year, the Company had at its Extraordinary General Meeting held on 24 September 2024, obtained a mandate from the shareholders of the Company ("Shareholders' Mandate") for its wholly-owned subsidiary, Eurospan Furniture Sdn Bhd, to carry out recurrent related party transactions ("RRPT") of a revenue or trading nature with related parties. The Shareholders' Mandate is valid until the conclusion of the forthcoming 29th Annual General Meeting ("29th AGM") of the Company. The Company will seek its shareholders' approval for the proposed renewal of shareholders' mandate for RRPT at the 29th AGM, to enable the Group to carry out RRPT necessary for its day-to-day operations.

DIRECTORS' REPORT

for the financial year ended 31 May 2024

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended **31 May 2024**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services to its subsidiaries.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) for the financial year, net of tax		
- Continuing operations	5,702,118	(5,532,757)
- Discontinued operation	(4,521,473)	-
	1,180,645	(5,532,757)

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 May 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature, other than the effect arising from the impairment loss on investment in a subsidiary amounting to RM5,500,000 as disclosed in Note 6 to the financial statements.

DIVIDENDS

The directors do not recommend any dividend payment for the current financial year.

On 10 July 2024, the Company had declared a single tier dividend of RM0.20 per ordinary share amounting to RM8,884,340 in respect of the financial year ending 31 May 2025 and paid on 5 August 2024 to entitled shareholders as at 25 July 2025. The current financial year statements do not reflect this declared dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 May 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture.

DIRECTORS' REPORT

for the financial year ended 31 May 2024

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Sri Tan Han Chuan (appointed on 6.8.2024)
***Dato' Thor Poh Seng** (appointed on 6.8.2024)
***Eng Boon Kiat** (appointed on 13.8.2024)
***Tan Kok Leong** (appointed on 13.8.2024)
Yap Kan Lin (appointed on 6.8.2024)
Ho Jong Ching (appointed on 15.9.2024)
***Guan Shaw Yin**
***Guan Kok Beng** (resigned on 13.8.2024)
***Guan Shaw Kee** (resigned on 13.8.2024)
Sim Yee Fuan (resigned on 6.8.2024)
Ch'ng Lay Hoon (resigned on 6.8.2024)
Ting Hon Sum (appointed on 28.7.2023 and resigned on 6.8.2024)
Lim Chun Thang (resigned on 25.7.2023)

Directors of subsidiaries:

Lee Beng Tek
Beh Hee Noay (appointed on 7.8.2023)
Mahendran A/L Ramachandran (appointed on 7.8.2023)
Tan Meow Yee (appointed on 7.8.2023)

*The directors are also directors of the Company's subsidiaries

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year held or dealt in the shares of the Company and its related corporations at any time during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.6.2023	Bought	Sold	Balance at 31.5.2024

Direct Interest:

Guan Kok Beng	4,966,100	-	4,966,100	-
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Deemed Interest:

¹ Guan Kok Beng	18,511,200	-	18,511,200	-
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¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through TBHL Holdings Sdn. Bhd.

By virtue of his interest in the Company, **Mr. Guan Kok Beng** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests as at the end of the financial year.

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

DIRECTORS' REPORT

for the financial year ended 31 May 2024

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	218,000	90,000	308,000
Salaries, allowances and bonus	13,867	2,810,620	2,824,487
Defined contribution plan	20,140	531,274	551,414
Social security contributions and employment insurance scheme	-	6,120	6,120
Defined benefit plan	-	203,143	203,143
Benefits-in-kind	-	200,278	200,278
	252,007	3,841,435	4,093,442

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects 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.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a 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 those related party transactions disclosed in the notes to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM9,235.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

for the financial year ended 31 May 2024

OTHER STATUTORY INFORMATION (CONT'D)

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

- (i) any charge on the assets of the Group and of the Company which 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 which has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) 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 to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

The details of the events during and after the reporting period are disclosed in Note 29 to the financial statements.

DIRECTORS' REPORT

for the financial year ended 31 May 2024

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 May 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	86,000	29,000
Assurance related services	4,000	4,000
Total	90,000	33,000

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

.....
Dato' Thor Poh Seng

Penang

Date: 23 September 2024

.....
Guan Shaw Yin

DIRECTORS' STATEMENT

for the financial year ended 31 May 2024

In the opinion of the directors, the financial statements set out on pages 47 to 90 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 as at **31 May 2024** and of their financial performance and cash flows for the financial year then ended.

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

.....
Dato' Thor Poh Seng

.....
Guan Shaw Yin

Date: 23 September 2024

STATUTORY DECLARATION

I, **Guan Shaw Yin**, the director primarily responsible for the financial management of **Eurospan Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 47 to 90 are to the best of my knowledge and belief, 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 abovenamed at Penang, this **23rd**)
day of **September 2024**.)

.....
Guan Shaw Yin

Before me,

.....
Goh Suan Bee
No. P125
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Eurospan Holdings Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Eurospan Holdings Berhad**, which comprise the statements of financial position as at **31 May 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 47 to 90.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 May 2024**, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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* section 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 judgment, were of most significance in our audit of the financial statements 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 Matter	How our audit addressed the Key Audit Matter
Revenue recognition <i>(Notes 19 to the financial statements)</i>	
<p>The Group's revenue is mainly derived from the manufacturing and trading of furniture and wood-based products and is recognised at a point in time.</p> <p>We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application and thereafter tested key controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting period; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.

INDEPENDENT AUDITORS' REPORT

to the members of Eurospan Holdings Berhad

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 information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information 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 other information and, in doing so, consider whether the other information 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 the 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 or 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 the financial statements.

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 risks 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's 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.

INDEPENDENT AUDITORS' REPORT

to the members of Eurospan Holdings Berhad

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: (Cont'd)

- 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 or 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 of 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 or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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.

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 financial 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 Matter

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.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Yeap Bee Har
No.03715/02/2025 J
Chartered Accountant

Penang

Date: 23 September 2024

STATEMENTS OF FINANCIAL POSITION

as at 31 May 2024

		GROUP		COMPANY	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	3,984,547	17,287,540	-	-
Right-of-use asset	5	-	150,630	-	-
Investment in subsidiaries	6	-	-	25,386,479	51,699,812
Other investments	7	1,998,909	3,494,449	1,998,909	1,741,245
Deferred tax asset	8	-	71,621	-	-
		5,983,456	21,004,240	27,385,388	53,441,057
Current assets					
Inventories	9	3,889,752	8,155,321	-	-
Trade and other receivables	10	5,838,365	8,019,448	672,495	128,855
Tax recoverable		53,774	477,772	-	-
Other investments	7	3,715,970	-	333,164	-
Cash and bank balances	11	2,843,303	2,952,263	56,690	363,548
		16,341,164	19,604,804	1,062,349	492,403
Non-current assets held for sale	12	24,292,709	1,489,998	20,813,333	-
		40,633,873	21,094,802	21,875,682	492,403
TOTAL ASSETS		46,617,329	42,099,042	49,261,070	53,933,460
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	13	52,796,145	52,796,145	52,796,145	52,796,145
Accumulated losses		(18,578,563)	(19,759,208)	(9,197,382)	(3,664,625)
Total equity		34,217,582	33,036,937	43,598,763	49,131,520
Non-current liabilities					
Retirement benefit obligations	14	-	3,207,518	-	-
Borrowings	15	193,411	337,083	-	-
		193,411	3,544,601	-	-
Current liabilities					
Trade and other payables	16	5,578,479	4,077,907	5,662,307	4,801,940
Retirement benefit obligations	14	3,410,661	-	-	-
Borrowings	15	143,672	202,624	-	-
Contract liabilities	17	2,031,896	1,050,037	-	-
Derivatives	18	-	31,911	-	-
Lease liability	5	-	155,025	-	-
		11,164,708	5,517,504	5,662,307	4,801,940
Non-current liabilities held for sale	12	1,041,628	-	-	-
		12,206,336	5,517,504	5,662,307	4,801,940
Total liabilities		12,399,747	9,062,105	5,662,307	4,801,940
TOTAL EQUITY AND LIABILITIES		46,617,329	42,099,042	49,261,070	53,933,460

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 May 2024

		GROUP		COMPANY	
	NOTE	2024 RM	2023 RM	2024 RM	2023 RM
CONTINUING OPERATIONS:					
Revenue	19	23,020,206	37,374,219	-	-
Cost of sales		(11,834,531)	(16,228,947)	-	-
Gross profit		11,185,675	21,145,272	-	-
Other income		1,683,794	1,335,074	396,254	48,039
Administrative expenses		(5,880,734)	(6,011,245)	(434,771)	(394,581)
Selling and distribution expenses		(825,897)	(1,220,111)	-	-
Other operating expenses		(404,978)	(416,665)	(5,500,066)	(17,944)
Operating profit/(loss)		5,757,860	14,832,325	(5,538,583)	(364,486)
Finance income		201,858	95,960	5,826	1,560
Finance costs		(17,507)	(35,381)	-	-
Profit/(Loss) before tax	20	5,942,211	14,892,904	(5,532,757)	(362,926)
Taxation	21	(240,093)	(58,423)	-	-
Profit/(Loss) from continuing operations, net of tax		5,702,118	14,834,481	(5,532,757)	(362,926)
DISCONTINUED OPERATION:					
Loss from discontinued operation, net of tax	12	(4,521,473)	(20,978,847)	-	-
Net profit/(loss), representing total comprehensive income/(loss) for the financial year		1,180,645	(6,144,366)	(5,532,757)	(362,926)
Profit/(Loss) per share attributable to owners of the Company (sen)	22				
Basic/Diluted earning per share:					
- Profit from continuing operations		12.84	33.39		
- Loss from discontinued operation		(10.18)	(47.23)		
		2.66	(13.84)		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 May 2024

	Share Capital RM	Accumulated Losses RM	Total Equity RM
2024			
Balance at beginning	52,796,145	(19,759,208)	33,036,937
Total comprehensive profit for the financial year	-	1,180,645	1,180,645
Balance at end	52,796,145	(18,578,563)	34,217,582
2023			
Balance at beginning	52,796,145	(13,614,842)	39,181,303
Total comprehensive loss for the financial year	-	(6,144,366)	(6,144,366)
Balance at end	52,796,145	(19,759,208)	33,036,937

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 May 2024

	Share Capital RM	Accumulated Losses RM	Total Equity RM
2024			
Balance at beginning	52,796,145	(3,664,625)	49,131,520
Total comprehensive loss for the financial year	<u>-</u>	<u>(5,532,757)</u>	<u>(5,532,757)</u>
Balance at end	<u>52,796,145</u>	<u>(9,197,382)</u>	<u>43,598,763</u>
2023			
Balance at beginning	52,796,145	(3,301,699)	49,494,446
Total comprehensive loss for the financial year	<u>-</u>	<u>(362,926)</u>	<u>(362,926)</u>
Balance at end	<u>52,796,145</u>	<u>(3,664,625)</u>	<u>49,131,520</u>

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 May 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax from continuing operations		5,942,211	14,892,904	(5,532,757)	(362,926)
Loss before tax from discontinued operation	12	(4,061,707)	(20,978,847)	-	-
Profit/(Loss) before tax		1,880,504	(6,085,943)	(5,532,757)	(362,926)
Adjustments for:					
Accretion of interest on lease liability		1,748	12,601	-	-
Defined benefit plan		203,143	193,471	-	-
Depreciation of:					
- property, plant and equipment		1,154,801	1,740,658	-	-
- right-of-use asset		45,189	180,755	-	-
Dividend income		(120,780)	-	(120,780)	-
Fair value gain on:					
- derivatives		(31,911)	(471,170)	-	-
- other investments, net		(397,109)	62,558	(275,474)	(17,999)
Gain on:					
- derecognition of lease		(3,752)	-	-	-
- disposal of investments		(11,311)	(46,222)	-	(12,132)
- disposal of non-current asset held for sale		(6,660,004)	-	-	-
- disposal of property, plant and equipment		(30,926)	(701,904)	-	-
Impairment loss on investment in a subsidiary		-	-	5,500,000	-
Impairment loss on property, plant and equipment		-	232,335	-	-
Interest expenses		17,507	55,782	-	-
Interest income		(243,918)	(99,399)	(5,826)	(1,560)
Inventories written off		-	1,339,231	-	-
Property, plant and equipment written off		-	77,052	-	-
Unrealised gain on foreign exchange		(290,013)	(480,649)	-	-
Operating loss before working capital changes		(4,486,832)	(3,990,844)	(434,837)	(394,617)
Changes in:					
Inventories		2,261,151	5,232,499	-	-
Receivables		853,224	(2,546,512)	(543,640)	(124,000)
Payables		(1,344,902)	(510,966)	(3,029,633)	32,800
Contract liabilities		981,859	(1,833,341)	-	-
Balance brought forward		(1,735,500)	(3,649,164)	(4,008,110)	(485,817)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 May 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Balance carried forward		(1,735,500)	(3,649,164)	(4,008,110)	(485,817)
Income tax paid		(707,933)	(64,750)	-	-
Income tax refunded		448,352	-	-	-
Interest paid		(17,507)	(55,782)	-	-
Net cash used in operating activities		(2,012,588)	(3,769,696)	(4,008,110)	(485,817)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net change in subsidiaries' balances		-	-	-	(4,449)
Dividend received		120,780	-	120,780	-
Investment in a subsidiary		-	-	-	(3,509,998)
Interest received		243,918	99,399	472	1,560
Additions of property, plant and equipment	A	(501,660)	(301,478)	-	-
Additions of other investments		(15,309,399)	(5,317,755)	(3,750,000)	(1,760,290)
Deposit received for disposal of assets	16	3,890,000	-	3,890,000	-
Proceeds from disposal of:					
- property, plant and equipment		61,900	1,044,824	-	-
- non-current asset held for sales		8,150,002	-	-	-
- other investments		5,540,000	7,445,909	3,440,000	1,440,659
Net cash from/(used in) investing activities		2,195,541	2,970,899	3,701,252	(3,832,518)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net change in subsidiaries' balances		-	-	-	4,500,000
Repayment of:					
- finance lease liabilities	B	(138,285)	(209,415)	-	-
- foreign currency invoice financing	B	(64,339)	(2,806,168)	-	-
- lease liability	B	(47,580)	(190,320)	-	-
Net cash (used in)/from financing activities		(250,204)	(3,205,903)	-	4,500,000
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES		(67,251)	(4,004,700)	(306,858)	181,665
Effects of foreign exchange rate changes		310,812	332,903	-	-
CASH AND BANK BALANCES AT BEGINNING		2,952,263	6,624,060	363,548	181,883
CASH AND BANK BALANCES AT END	A	3,195,824	2,952,263	56,690	363,548

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 May 2024

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
A. The cash and cash equivalents are presented by:				
Cash and bank balances	2,843,303	2,952,263	56,690	363,548
Cash and cash equivalents included in non-current assets held for sale (Note 12.2)	352,521	-	-	-
	3,195,824	2,952,263	56,690	363,548

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Net cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
2024				
Borrowings	539,707	(202,624)	-	337,083
Lease liability	155,025	(47,580)	(107,445)	-
Total liabilities arising financing activities	694,732	(250,204)	(107,445)	337,083
2023				
Borrowings	3,552,176	(3,015,583)	3,114	539,707
Lease liability	332,744	(190,320)	12,601	155,025
Total liabilities arising financing activities	3,884,920	(3,205,903)	15,715	694,732

¹ Others consist of non-cash movement as follows:

	GROUP	
	2024 RM	2023 RM
Derecognition of lease liabilities	(109,193)	-
Unrealised loss on foreign exchange	-	3,114
Accretion of interest on lease liability	1,748	12,601
	(107,445)	15,715

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 29th Floor, Menara JKG, No 282, Jalan Raja Laut, 50350 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at 1168 Kampung Teluk, Sungai Dua, Kawasan Perusahaan Sungai Lokan, 13800 Butterworth, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 September 2024.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of management services to its subsidiaries.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain financial instruments that are measured at fair values at the end of each reporting period, as indicated in the material accounting policy information as set out in the notes to the financial statements.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates.

2.4 Adoption of New Standard/Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following new standard/amendments to MFRSs that are mandatory for the current financial year:

Effective for annual period beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

NOTES TO THE FINANCIAL STATEMENTS

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2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standard/Amendments to MFRSs (Cont'd)

Initial application of the above new standard/amendments to MFRSs did not have any material impact to the financial statements upon adoption, except for Amendments to *MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*. The amendments change the requirements in *MFRS 101* with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in *MFRS 101* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in *MFRS Practice Statement 2*.

The amendments had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above new standards/amendments to MFRSs is not expected to have any material impact to the financial statements, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and the Company's presentation of statements of profit or loss, statements of cash flows and additional disclosure in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Inventories

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 9 to the financial statements.

(ii) Provision for expected credit losses ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group'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 ECL on the Group's trade receivables is disclosed in Note 26.3.1 to the financial statements.

(iii) Defined benefit plan

Management estimates the defined benefit plan annually with the assistance of independent actuaries. However, the actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit plan of the Group is based on standard rates of inflation and mortality. It also takes into account the Group's specific anticipation of future salary increase. Discount factors are determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and maturity terms approximate to the terms of the related pension plan. Estimation uncertainties exist particularly with regard to salary increment rate, which may vary significantly in future appraisals of the Group's defined benefit obligations.

The assumptions and model used for estimating fair value for defined benefit plan, sensitivity analysis and the carrying amounts are disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land RM	Buildings RM	Plant, machinery and factory equipment RM	Furniture, fittings, renovation and office equipment RM	Motor vehicles RM	Capital work- in-progress RM	Total RM
2024							
At cost							
Balance at beginning	4,667,050	11,170,156	39,915,115	3,557,582	2,445,402	816,545	62,571,850
Additions	-	-	-	-	501,660	-	501,660
Disposals	-	-	(308,913)	-	-	-	(308,913)
Written off	-	-	(31,027)	-	-	-	(31,027)
Reclassified to non-current assets held for sale	(4,667,050)	(10,434,551)	(26,705,593)	(462,903)	(63,624)	(816,545)	(43,150,266)
Balance at end	-	735,605	12,869,582	3,094,679	2,883,438	-	19,583,304
Accumulated depreciation							
Balance at beginning	-	5,346,373	32,820,275	3,217,199	1,436,208	-	42,820,055
Current charge	-	146,003	713,924	132,147	162,727	-	1,154,801
Disposals	-	-	(257,142)	-	-	-	(257,142)
Written off	-	-	(31,027)	-	-	-	(31,027)
Reclassified to non-current assets held for sale	-	(5,095,149)	(22,600,696)	(328,456)	(63,629)	-	(28,087,930)
Balance at end	-	397,227	10,645,334	3,020,890	1,535,306	-	15,598,757
Accumulated impairment losses							
Balance at beginning	-	-	2,205,980	68,970	-	189,305	2,464,255
Disposals	-	-	(20,797)	-	-	-	(20,797)
Reclassified to non-current assets held for sale	-	-	(2,185,183)	(68,970)	-	(189,305)	(2,443,458)
Balance at end	-	-	-	-	-	-	-
Carrying amount	-	338,378	2,224,248	73,789	1,348,132	-	3,984,547

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings RM	Plant, machinery and factory equipment RM	Furniture, fittings, renovation and office equipment RM	Motor vehicles RM	Capital work- in-progress RM	Total RM
2023								
At cost								
Balance at beginning	4,667,050	383,735	14,018,915	45,162,077	3,548,016	2,508,721	1,646,048	71,934,562
Additions	-	-	-	265,822	34,499	-	1,157	301,478
Disposals	-	-	(311,046)	(3,138,474)	-	(63,319)	-	(3,512,839)
Written off	-	-	-	(3,204,970)	(24,933)	-	-	(3,229,903)
Reclassification	-	-	-	830,660	-	-	(830,660)	-
Reclassified to non-current assets held for sale	-	(383,735)	(2,537,713)	-	-	-	-	(2,921,448)
Balance at end	4,667,050	-	11,170,156	39,915,115	3,557,582	2,445,402	816,545	62,571,850
Accumulated depreciation								
Balance at beginning	-	121,465	6,539,433	37,039,291	3,034,708	1,353,523	-	48,088,420
Current charge	-	4,515	275,713	1,121,282	193,144	146,004	-	1,740,658
Disposals	-	-	(163,303)	(2,390,433)	-	(63,319)	-	(2,617,055)
Written off	-	-	-	(2,949,865)	(10,653)	-	-	(2,960,518)
Reclassified to non-current assets held for sale	-	(125,980)	(1,305,470)	-	-	-	-	(1,431,450)
Balance at end	-	-	5,346,373	32,820,275	3,217,199	1,436,208	-	42,820,055
Accumulated impairment losses								
Balance at beginning	-	-	-	2,908,147	68,970	-	-	2,977,117
Current charge	-	-	-	43,030	-	-	189,305	232,335
Disposals	-	-	-	(552,864)	-	-	-	(552,864)
Written off	-	-	-	(192,333)	-	-	-	(192,333)
Balance at end	-	-	-	2,205,980	68,970	-	189,305	2,464,255
Carrying amount	4,667,050	-	5,823,783	4,888,860	271,413	1,009,194	627,240	17,287,540

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (i) The motor vehicles with carrying amount of **RM603,740** (2023: RM863,632) are acquired under hire purchase and pledged as securities for the finance lease liabilities as disclosed in Note 15 to the financial statements.
- (ii) The information of right-of-use assets of the Group which were included in the property, plant and equipment is as follows:

GROUP

	Carrying amount RM	Current depreciation RM	Additions RM	Reclassified to non-current assets held for sale RM
2023				
Leasehold land	-	4,515	-	257,755

- (iii) In the previous financial year, the Group had carried out a review of the recoverable amount of its property, plant and equipment due to certain plant and equipment has become obsolete. An impairment loss of RM232,335, representing the write down of these plant and equipment to the recoverable amount, was recognised in the profit or loss in the previous financial year. The recoverable amount was based on its fair value less cost to sales.

Material accounting policy information

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Categories

Leasehold land	Amortise over its lease period of 85 years
Buildings	2%
Plant, machinery and factory equipment	10% - 20%
Furniture, fittings, renovation and office equipment	10%
Motor vehicles	10%

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

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5. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Group as lessee

The Group has a lease contract for premise used in its operations that has lease terms of two years. Generally, the Group is restricted from assigning and subleasing the leased asset.

The Group also has certain leases of hostel with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

GROUP

Right-of-use asset

Set out below are the carrying amount of right-of-use asset recognised and the movements during the financial year:

	Premise	
	2024 RM	2023 RM
Balance at beginning	150,630	331,385
Depreciation	(45,189)	(180,755)
Derecognition	(105,441)	-
Balance at end	-	150,630

Lease liability

Set out below are the carrying amount of lease liability recognised and the movements during the financial year:

	2024 RM	2023 RM
Balance at beginning	155,025	332,744
Accretion of interest	1,748	12,601
Payments	(47,580)	(190,320)
Derecognition	(109,193)	-
Balance at end	-	155,025
Represented by:		
Current liabilities	-	155,025

The maturity analysis of lease liability is disclosed in Note 26.4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)

GROUP (CONT'D)

The following are the amounts recognised in profit or loss:

	GROUP	
	2024 RM	2023 RM
Depreciation expense of right-of-use asset	45,189	180,755
Accretion of interest on lease liability	1,748	12,601
Expenses relating to short-term lease	101,770	111,635
Gain on derecognition of lease	(3,752)	-
Total amount recognised in profit or loss	144,955	304,991

The total cash outflows for leases of the Group during the financial year are **RM149,350** (2023: RM301,955).

Material accounting policy information

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Category	
Premise	24 months

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
Unquoted shares, at cost	27,386,479	33,199,812
Unquoted non-cumulative redeemable convertible preference shares, at cost	3,500,000	18,500,000
	30,886,479	51,699,812
Less: Accumulated impairment losses	(5,500,000)	-
	25,386,479	51,699,812

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, all of which were incorporated and principal place of business in Malaysia, are as follows:

Name of entities	Effective equity interest		Principal activities
	2024 %	2023 %	
Eurospan Furniture Sdn. Bhd. ("EFSB")	100	100	Manufacturing and trading of furniture and wood-based products.
Dynaspan Furniture Sdn. Bhd. ("DFSB")	100	100	Manufacturing of furniture and wood-based products.
Dynacharge Sdn. Bhd. (formerly known as Dynaword Sdn. Bhd.) ("Dynacharge")	100	100	General trading.

6.1 Subscription of ordinary shares and redeemable preference shares ("RPS") in a subsidiary

On 25 May 2023 and 31 May 2023, the Company had subscribed additional 9,998 ordinary shares and 3,500,000 RPS in Dynacharge at RM9,998 and RM3,500,000 respectively for cash. No changes in equity interest in Dynacharge subsequent to the subscription of ordinary shares.

6.2 Disposal of a subsidiary

On 24 August 2023, the Company has entered into a conditional share sale agreement with Guan Kok Beng, Guan Shaw Yin and Guan Shaw Kee, the directors of the Company in relation to the disposal of the entire equity interest of the Company in DFSB. The disposal transaction has yet to be completed as at the end of the financial year and the related cost of investment in subsidiary was reclassified as non-current assets held for sales.

6.3 Impairment loss

During the financial year, the Company has carried out an impairment loss assessment on its cost of investment in subsidiaries as certain subsidiaries is either in continuing loss position or negative shareholder's fund. The recoverable amounts of the investment in subsidiaries are assessed by reference to the higher of value-in-use or fair value less cost to sell of the respective subsidiaries as at the end of the reporting period. Accordingly, an impairment loss of RM5,500,000 is recognised in other operating expenses in respect of investment in a subsidiary during the financial year.

Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

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7. OTHER INVESTMENTS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Debt instrument at fair value through profit or loss ("FVTPL"):				
Investment funds with a licensed bank	<u>3,715,970</u>	<u>1,753,204</u>	<u>333,164</u>	<u>-</u>
Equity instrument at fair value through other comprehensive income ("FVOCI"):				
Investment in quoted shares in Malaysia	<u>1,998,909</u>	<u>1,741,245</u>	<u>1,998,909</u>	<u>1,741,245</u>
Represented by:				
Non-current assets	<u>1,998,909</u>	<u>3,494,449</u>	<u>1,998,909</u>	<u>1,741,245</u>
Current assets	<u>3,715,970</u>	<u>-</u>	<u>333,164</u>	<u>-</u>
	<u>5,714,879</u>	<u>3,494,449</u>	<u>2,332,073</u>	<u>1,741,245</u>

Material accounting policy information

The Group and the Company recognise their other investments at fair value with any changes therein recognised in profit or loss and other comprehensive income for the period in which they arise.

8. DEFERRED TAX ASSET

	GROUP	
	2024 RM	2023 RM
Balance at beginning	71,621	65,794
Recognised in profit or loss	(24,780)	5,827
Reclassified to non-current asset held for sale	<u>(46,841)</u>	<u>-</u>
Balance at end	<u>-</u>	<u>71,621</u>

The deferred tax asset at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2024 RM	2023 RM
Other deductible temporary differences	<u>-</u>	<u>71,621</u>

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

8. DEFERRED TAX ASSET (CONT'D)

The following net deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised. As at the end of the reporting period, the Group's deferred tax position is as follow:

	GROUP	
	2024 RM	2023 RM
Deferred tax recognised:		
Property, plant and equipment	(3,893,296)	(7,593,792)
Unused tax losses	-	56,976
Unabsorbed capital allowances	3,893,296	7,536,816
	-	-
Deferred tax not recognised:		
Unused tax losses	10,698,999	14,640,156
Unabsorbed capital allowances	4,574,092	-
Unutilised reinvestment allowances	2,956,685	2,956,685
Other deductible temporary differences	4,102,183	4,051,572
	<u>22,331,959</u>	<u>21,648,413</u>

The gross amount and future availability of unused tax losses and unabsorbed allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP	
	2024 RM	2023 RM
Unused tax losses	10,698,999	14,697,132
Unabsorbed capital allowances	8,467,388	7,536,816
Unabsorbed reinvestment allowance	<u>2,956,685</u>	<u>2,956,685</u>

The unused tax losses can be carried forward for ten consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive YAs. However, unabsorbed capital allowances can be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

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8. DEFERRED TAX ASSET (CONT'D)

The unabsorbed reinvestment allowance and unused tax losses will be disregarded in the following YAs:

	GROUP	
	2024 RM	2023 RM
YA 2026	1,081,424	1,081,424
YA 2028	58,683	58,683
YA 2029	511,110	511,110
YA 2030	5,225,658	5,225,658
YA 2031	2,899,784	2,899,784
YA 2033	2,856,987	2,856,987
YA 2034	1,022,038	5,020,171
	13,655,684	17,653,817

9. INVENTORIES

	GROUP	
	2024 RM	2023 RM
At cost		
Raw materials	2,774,157	5,217,289
Work-in-progress	230,800	2,330,899
Finished goods	884,795	607,133
	3,889,752	8,155,321
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	21,207,248	33,160,902
Inventories written off recognised as other operating expenses	-	1,339,231

In the previous financial year, certain inventories were written off due to flood incident happened in previous financial year.

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in, first-out cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	1,174,072	3,722,342	-	-
Other receivables				
Sundry receivables	7	7	-	-
Amount due from a subsidiary	-	-	-	4,855
Refundable deposits	3,725,663	3,778,424	-	-
Prepayments	938,623	518,675	672,495	124,000
	4,664,293	4,297,106	672,495	128,855
Total trade and other receivables	5,838,365	8,019,448	672,495	128,855

The normal credit terms granted to trade receivables range from **30 to 60 days** (2023: 30 to 60 days). Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The amount due from a subsidiary was unsecured, non-interest bearing and classified based on expected timing of realisation.

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	4,566,553	4,607,076	672,495	128,855
United States Dollar	1,271,812	3,140,157	-	-
Euro	-	272,215	-	-
	5,838,365	8,019,448	672,495	128,855

11. CASH AND BANK BALANCES

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	2,482,733	2,030,994	56,690	363,548
United States Dollar	338,447	915,855	-	-
Euro	16,928	4,976	-	-
Others	5,195	438	-	-
	2,843,303	2,952,263	56,690	363,548

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

12. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current assets held for sale				
Property (Note 12.1)	4,091,710	1,489,998	-	-
Subsidiary (Note 12.2)	20,200,999	-	20,813,333	-
	24,292,709	1,489,998	20,813,333	-
Non-current liabilities held for sale				
Subsidiary (Note 12.2)	1,041,628	-	-	-

12.1 Property

2024

On 24 August 2023, EFSB has entered into a conditional sale and purchase agreement with DFSB for the disposal of EFSB's properties of 2 parcels of freehold land together with the buildings erected thereon ("EFSB Properties") to DFSB for a total disposal consideration of RM15,650,000 upon completion of the disposal of DFSB as mentioned in Note 29(ii) to the financial statements.

The disposal transaction was completed on 6 August 2024.

2023

In previous financial year, DFSB and EFSB had entered into Sale and Purchase Agreements with third parties to dispose of 2 parcels of land together with the factory buildings enacted thereon for total cash consideration of RM6,950,000 and RM1,200,000 respectively.

The disposal transaction was completed in the current financial year.

12.2 Subsidiary

2024

On 24 August 2023, the Company has entered into a conditional share sale agreement with Guan Kok Beng, Guan Shaw Yin and Guan Shaw Kee, the directors of the Company, for the proposed disposal of 2,600,000 ordinary shares and 15,000,000 non-cumulative shares redeemable convertible preference shares in DFSB, representing the entire equity interest of the Company in DFSB, for a total disposal consideration of RM38,900,000.

As at 31 May 2024, the assets and liabilities of DFSB have been presented on the consolidated statements of financial position as assets and liabilities held for sales and results from DFSB is presented separately on the consolidated statements of profit or loss and other comprehensive income as discontinued operation. The carrying amount of the investment in DFSB has also been presented as a non-current asset held for sales on the Company's statement of financial position as at 31 May 2024.

The disposal transaction was completed on 2 July 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

12. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

12.2 Subsidiary (Cont'd)

Statement of Financial Position

The major classes of assets and liabilities of DFSB classified as held for sale as at 31 May 2024 are as follows:

	GROUP RM
Assets	
Property, plant and equipment	8,527,168
Deferred tax assets	46,841
Inventories	2,004,418
Receivables	1,304,162
Tax recoverable	8,500
Short term investment	7,957,389
Cash and bank balances	352,521
	<u>20,200,999</u>
Liability	
Trade payables	<u>1,041,628</u>

Statement of Profit or Loss and Other Comprehensive Income

The results of DFSB are as follows:

	GROUP 2024 RM	2023 RM
Revenue	210,978	272,081
Cost of sales	(9,372,717)	(16,931,955)
Gross Loss	(9,161,739)	(16,659,874)
Other income	6,843,597	393,062
Administrative expenses	(1,784,905)	(2,899,558)
Other operating expenses	(720)	(1,795,515)
Loss from operations	(4,103,767)	(20,961,885)
Finance income	42,060	3,439
Finance costs	-	(20,401)
Loss before tax	(4,061,707)	(20,978,847)
Taxation	(459,766)	-
Loss net of tax	<u>(4,521,473)</u>	<u>(20,978,847)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

12. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

12.2 Subsidiary (Cont'd)

Statement of Cash Flows

The cash flows attributed from DFSB are as follows:

	GROUP 2024 RM
Operating activities	562,879
Investing activities	<u>(786,697)</u>

13. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning/at end	<u>44,421,700</u>	<u>44,421,700</u>	<u>52,796,145</u>	<u>52,796,145</u>

14. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit plan – Retirement Benefit Scheme (“the Scheme”) for its Executive Chairman. Under the Scheme, the Executive Chairman is entitled to retirement benefits upon attaining the retirement age. The Group’s obligation under the Scheme is determined based on the latest actuarial valuation issued by an independent actuary.

The present value of the defined benefit plan is represented as follows:

	GROUP	
	2024 RM	2023 RM
Balance at beginning	3,207,518	3,014,047
Recognised in profit or loss		
- Current service cost	94,087	90,993
- Interest cost	109,056	102,478
	<u>203,143</u>	<u>193,471</u>
Balance at end	<u>3,410,661</u>	<u>3,207,518</u>
Represented by:		
Non-current liabilities	-	3,207,518
Current liabilities	<u>3,410,661</u>	<u>-</u>
	<u>3,410,661</u>	<u>3,207,518</u>

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

14. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The principal actuarial assumptions used in determining the defined benefit plan are as follows:

	GROUP	
	2024 %	2023 %
Discount rate	3.40	3.40
Expected salary increment rate	8.00	8.00

The following table demonstrates the sensitivity analysis of the Group if significant actuarial assumptions at the end of the reporting period changed by one hundred (100) basis points with all other variables held constant:

		GROUP	
		2024 RM	2023 RM
Discount rate increase	1%	(16,374)	(45,975)
Discount rate decrease	(1%)	16,615	47,101
Expected salary increment rate increase	1%	95,622	89,927
Expected salary increment rate decrease	(1%)	(93,867)	(88,276)

The expected payments to the defined benefit plan in future years are as follows:

	GROUP	
	2024 RM	2023 RM
Within 1 year	3,410,661	-
Between 1 to 2 years	-	3,410,661

The average duration of the defined benefit plan obligation at the end of the reporting period is **0.1 years** (2023: 1.01 years).

NOTES TO THE FINANCIAL STATEMENTS

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15. BORROWINGS

	GROUP	
	2024 RM	2023 RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within one year	154,044	154,044
More than one year and less than two years	147,583	154,044
More than two years and less than five years	51,278	198,861
	352,905	506,949
Future finance charges	(15,822)	(31,581)
	337,083	475,368
Amount due within one year included under current liabilities	(143,672)	(138,285)
	193,411	337,083
Current liabilities		
Secured:		
Finance lease liabilities	143,672	138,285
Future currency invoice financing	-	64,339
	143,672	202,624
Total borrowings	337,083	539,707

The borrowings are secured by way of corporate guarantees of the Company and a subsidiary, and lease assets as disclosed in Note 4 to the financial statements.

The currency profile of borrowings is as follows:

	GROUP	
	2024 RM	2023 RM
Ringgit Malaysia	337,083	475,368
Euro	-	64,339
	337,083	539,707

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

15. BORROWINGS (CONT'D)

A summary of the effective interest rates per annum and the maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
2024					
Finance lease liabilities	3.78 to 3.87	337,083	143,672	142,843	50,568
2023					
Finance lease liabilities	3.78 to 3.87	475,368	138,285	143,672	193,411
Foreign currency invoice financing	4.35	64,339	64,339	-	-

16. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	405,461	941,241	-	-
Other payables				
Sundry payables	4,191,107	1,263,787	3,890,000	-
Amount due to a subsidiary	-	-	1,500,000	4,500,000
Accruals	981,911	1,872,879	272,307	301,940
	5,173,018	3,136,666	5,662,307	4,801,940
Total trade and other payables	5,578,479	4,077,907	5,662,307	4,801,940

Trade payables of the Group are non-interest bearing and are normally settled within **15 to 90 days** (2023: 15 to 90 days) credit terms.

Included in the sundry payables of the Group and of the Company is an amount of **RM3,890,000** (2023: RM Nil) the deposit received for the disposal of a subsidiary as mentioned in Note 29(ii) to the financial statements.

The amount due to a subsidiary is unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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16. TRADE AND OTHER PAYABLES (CONT'D)

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	5,572,873	3,754,753	5,662,307	4,801,940
United States Dollar	5,606	323,154	-	-
	5,578,479	4,077,907	5,662,307	4,801,940

17. CONTRACT LIABILITIES

	GROUP	
	2024 RM	2023 RM
Balance at beginning	1,050,037	2,883,378
Revenue recognised during the year	(1,050,037)	(2,883,378)
Deposits received during the year	2,031,896	1,050,037
Balance at end	2,031,896	1,050,037

Contract liabilities represent deposits received from customers in advance for sales orders before commencing production activity. The deposits will be reversed and recognised as revenue upon satisfying the performance obligation.

All deposits received are expected to be recognised as revenue within one year from the date of receipt.

18. DERIVATIVES

	GROUP	
	2024 RM	2023 RM
Forward foreign exchange contracts:		
- Nominal value	-	1,353,750
Derivative liabilities	-	31,911

Forward foreign exchange contracts were used to manage the foreign currency exposure arising from sales denominated in United States Dollar. The forward exchange contracts had maturities of less than one year after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

19. REVENUE

19.1 Disaggregated revenue information

	GROUP	
	2024 RM	2023 RM

Continuing operations:

Sales of goods recognised at a point in time upon delivery of goods to the customers **23,020,206** 37,374,219

Discontinued operation:

Sales of goods recognised at a point in time upon delivery of goods to the customers **210,978** 272,081

Total revenue from contracts with customers **23,231,184** 37,646,300

	GROUP	
	2024 RM	2023 RM

Geographical markets

Asia Pacific	5,101,173	12,066,843
Africa	4,799,810	9,210,589
Europe	6,707,071	8,913,362
United States of America	4,446,842	6,203,729
Oceania	239,275	448,642
Malaysia	1,937,013	803,135

Total revenue from contracts with customers **23,231,184** 37,646,300

19.2 Contract balance

	GROUP	
	2024 RM	2023 RM

Trade receivables **1,174,072** 3,722,342

Trade receivables included in non-current assets held for sales **99,200** -

1,273,272 3,722,342

19.3 Performance obligations

The performance obligations of the Group's revenue have been disclosed in the material accounting policy information below.

Material accounting policy information

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

20. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Continuing operations:				
After charging:				
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT ("GTM")				
- current year	63,000	55,000	29,000	26,000
- under provision in prior year	1,000	-	-	-
- Assurance related services				
- GTM	4,000	4,000	4,000	4,000
Depreciation				
- property, plant and equipment	890,697	1,066,734	-	-
- right-of-use asset	45,189	180,755	-	-
Directors' fees				
- Executive directors of the Company	151,000	151,000	106,000	106,000
- Executive director of a subsidiary	30,000	-	-	-
- Non-executive directors of the Company	112,000	112,000	112,000	112,000
Fair value loss on other investments	-	80,557	-	-
Impairment loss on investment in a subsidiary	-	-	5,500,000	-
Interest expenses on:				
- accretion of interest on lease liability	1,748	12,601	-	-
- finance lease liabilities	15,759	22,780	-	-
Loss on disposal of property, plant and equipment	26,074	-	-	-
Net realised loss on foreign exchange	356,750	197,276	-	-
Property, plant and equipment written off	-	17,332	-	-
Research and development expenses	208	312,438	-	-
* Staff costs	6,171,512	7,241,237	34,007	30,640
And crediting:				
Dividend income	120,780	-	120,780	-
Fair value gain on derivatives	31,911	471,170	-	-
Fair value gain on investments	275,474	17,999	275,474	17,999
Gain on derecognition of lease	3,752	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

20. PROFIT/(LOSS) BEFORE TAX (CONT'D)

This is arrived at: (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Gain on disposal of non-current assets held for sale	943,406	-	-	-
Gain on disposal of investments	11,311	46,222	-	12,132
Gain on disposal of property, plant and equipment	-	732,667	-	-
Interest income	201,858	95,960	5,826	1,560
Net unrealised gain on foreign exchange	317,114	510,586	-	-
Rental income	6,120	9,692	-	-
Discontinued operation:				
After charging:				
Auditors' remuneration				
- Statutory audit				
- GTM	23,000	23,000	-	-
Depreciation of property, plant and equipment	264,104	673,924	-	-
Directors' fees				
- Executive directors of the Company	45,000	45,000	-	-
- Executive director of a subsidiary	30,000	15,000	-	-
Impairment loss on property, plant and equipment	-	232,335	-	-
Interest expenses on foreign currency invoice financing	-	20,401	-	-
Inventories written off	-	1,339,231	-	-
Loss on disposal of property, plant and equipment	-	30,761	-	-
Net unrealised loss on foreign exchange	27,101	29,937	-	-
Property, plant and equipment written off	-	59,720	-	-
* Staff costs	3,720,321	5,273,763	-	-
And crediting:				
Fair value gain on investments	121,635	-	-	-
Gain on disposal of non-current assets held for sale	5,716,598	-	-	-
Gain on disposal of property, plant and equipment	57,000	-	-	-
Interest income	42,060	3,439	-	-
Net realised gain on foreign exchange	5,977	7,135	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

20. PROFIT/(LOSS) BEFORE TAX (CONT'D)

This is arrived at: (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
* Staff costs				
Continuing operations:				
- Salaries, allowances and bonus	5,197,245	6,427,515	13,867	10,500
- Defined contribution plan ("EPF")	719,041	758,091	20,140	20,140
- Social security contributions ("SOCSO")	48,120	60,919	-	-
- Employment insurance scheme ("EIS")	3,963	4,970	-	-
- Defined benefit plan	203,143	193,471	-	-
	6,171,512	7,444,966	34,007	30,640
Less: Staff costs included in research and development expenses	-	(203,729)	-	-
Total staff costs from continuing operations	6,171,512	7,241,237	34,007	30,460
Discontinued operation:				
- Salaries, allowances and bonus	3,272,524	4,733,638	-	-
- EPF	404,123	478,005	-	-
- SOCSO	39,866	57,420	-	-
- EIS	3,808	4,700	-	-
Total staff costs from discontinued operation	3,720,321	5,273,763	-	-
Total staff costs	9,891,833	12,515,000	34,007	30,460

Directors' emoluments

Included in the staff costs are directors' emoluments as shown below:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company:				
- Salaries, allowances and bonus	2,824,487	2,802,500	13,867	10,500
- EPF	551,414	567,924	20,140	20,140
- SOCSO	5,644	5,358	-	-
- EIS	476	452	-	-
- Defined benefit plan	203,143	193,471	-	-
	3,585,164	3,569,705	34,007	30,640

NOTES TO THE FINANCIAL STATEMENTS

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20. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Directors' emoluments (Cont'd)

Included in the staff costs are directors' emoluments as shown below: (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of a subsidiary:				
- Salaries, allowances and bonus	429,924	173,750	-	-
- EPF	71,727	35,891	-	-
- SOCSO	3,639	987	-	-
- EIS	416	113	-	-
	<u>505,706</u>	<u>210,741</u>	<u>-</u>	<u>-</u>
Total directors' emoluments	<u>4,090,870</u>	<u>3,780,446</u>	<u>34,007</u>	<u>30,640</u>

The estimated money value of benefits-in-kind received or receivable by the directors of the Company and a director of a subsidiary during the financial year amounted to **RM200,278** (2023: RM189,550) and **RM Nil** (2023: RM6,500) respectively.

21. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Continuing operation:				
Malaysian income tax				
Based on results for the financial year				
- Current tax	(10,106)	(13,000)	-	-
- Real property gain tax	(229,902)	(51,250)	-	-
- Deferred tax relating to origination and reversal of temporary differences	-	5,827	-	-
	<u>(240,008)</u>	<u>(58,243)</u>	<u>-</u>	<u>-</u>
Under provision in prior year	<u>(85)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income tax expenses from continuing operations	<u>(240,093)</u>	<u>(58,243)</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

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21. TAXATION (CONT'D)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Discontinued operation:				
Malaysian income tax				
Based on results for the financial year				
- Real property gain tax	(434,986)	-	-	-
- Deferred tax relating to origination and reversal of temporary differences	(24,780)	-	-	-
Total income tax expenses from discontinued operations	(459,766)	-	-	-
Total income tax expenses	(699,859)	(58,243)	-	-

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax, continuing operations	5,942,211	14,892,904	(5,532,757)	(362,926)
Loss before tax, discontinued operation	(4,061,707)	(20,978,847)	-	-
Profit/(Loss) before tax	1,880,504	(6,085,943)	(5,532,757)	(362,926)
Income tax at Malaysian statutory tax rate of 24%	(451,321)	1,460,626	1,327,862	87,102
Income not subject to tax	1,729,726	11,529	96,386	11,529
Expenses not deductible for tax purposes	(157,220)	(317,319)	(1,424,248)	(98,631)
Deferred tax asset not recognised	(1,156,071)	(1,162,009)	-	-
Real property gain tax	(664,888)	(51,250)	-	-
	(699,774)	(58,423)	-	-
Under provision in prior year	(85)	-	-	-
	(699,859)	(58,243)	-	-

NOTES TO THE FINANCIAL STATEMENTS

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22. LOSSES PER SHARE

(i) Basic losses per share

Basic losses per share is calculated by dividing the loss attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2024 RM	2023 RM
Profit/(Loss) attributable to owners of the Company		
- Continuing operations	5,702,118	(6,144,366)
- Discontinued operation	(4,521,473)	-
	<u>1,180,645</u>	<u>(6,144,366)</u>
Weighted average number of ordinary shares in issue	<u>44,421,700</u>	<u>44,421,700</u>
Basic earnings/(losses) per share (sen)		
- Continuing operations	12.84	33.39
- Discontinued operation	(10.18)	(47.23)
	<u>2.66</u>	<u>(13.84)</u>

(ii) Diluted losses per share

The losses per share is not diluted as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

23. CAPITAL COMMITMENT

The Group have no capital commitments as at the end of the reporting period.

24. RELATED PARTY DISCLOSURES

(i) Identity of related party

The Group has related party relationship with its subsidiaries and key management personnel.

(ii) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transaction between the Company and a subsidiary took place during the financial year.

	COMPANY	
	2024 RM	2023 RM
Advances from a subsidiary	-	4,500,000

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24. RELATED PARTY DISCLOSURES (CONT'D)

(iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The remuneration of directors is disclosed in Note 20 to the financial statements. The Group does not have any members of key management personnel.

25. SEGMENTAL INFORMATION

The Group is principally engaged in the manufacturing and trading of furniture and wood-based products which are principally carried out in Malaysia and these business activities are considered as one business segment by the Group.

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and non-current assets respectively are as follows:

	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	1,937,013	803,135	14,557,465	21,004,240
Asia Pacific	5,101,173	12,066,843	-	-
Africa	4,799,810	9,210,589	-	-
Europe	6,707,071	8,913,362	-	-
United States of America	4,446,842	6,203,729	-	-
Oceania	239,275	448,642	-	-
	23,231,184	37,646,300	14,557,465	21,004,240

Information about major customers

Total revenue from **Nil** (2023: 1) major customer which individually contributed to 10% or more of the Group's revenue amounted to **RM Nil** (2023: RM5,737,709).

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26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"), FVTPL and FVOCI.

	Carrying amount RM	AC RM	FVTPL RM	FVOCI RM
GROUP				
2024				
Financial assets				
Trade and other receivables excluding prepayments	4,899,742	4,899,742	-	-
Other investments	5,714,879	-	3,715,970	1,998,909
Cash and bank balances	2,843,303	2,843,303	-	-
	<u>13,457,924</u>	<u>7,743,045</u>	<u>3,715,970</u>	<u>1,998,909</u>
Financial liabilities				
Trade and other payables	5,578,479	5,578,479	-	-
Borrowings	337,083	337,083	-	-
	<u>5,915,562</u>	<u>5,915,562</u>	<u>-</u>	<u>-</u>
2023				
Financial assets				
Trade and other receivables excluding prepayments	7,500,773	7,500,773	-	-
Other investments	3,494,449	-	1,753,204	1,741,245
Cash and bank balances	2,952,263	2,952,263	-	-
	<u>13,947,485</u>	<u>10,453,036</u>	<u>1,753,204</u>	<u>1,741,245</u>
Financial liabilities				
Trade and other payables	4,077,907	4,077,907	-	-
Borrowings	539,707	539,707	-	-
Derivatives	31,911	-	31,911	-
	<u>4,649,525</u>	<u>4,617,614</u>	<u>31,911</u>	<u>-</u>

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26. FINANCIAL INSTRUMENTS (CONT'D)**26.1 Categories of financial instruments (Cont'd)**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"), FVTPL and FVOCI. (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM	FVOCI RM
COMPANY				
2024				
Financial assets				
Other investments	2,332,073	-	333,164	1,998,909
Cash and bank balances	56,690	56,690	-	-
	<u>2,388,763</u>	<u>56,690</u>	<u>333,164</u>	<u>1,998,909</u>
Financial liability				
Trade and other payables	5,662,307	5,662,307	-	-
2023				
Financial assets				
Trade and other receivables excluding prepayments	4,855	4,855	-	-
Other investments	1,741,245	-	-	1,741,245
Cash and bank balances	363,548	363,548	-	-
	<u>2,109,648</u>	<u>368,403</u>	<u>-</u>	<u>1,741,245</u>
Financial liabilities				
Trade and other payables	4,801,940	4,801,940	-	-

26.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

26.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from financial guarantees provided to financial institutions in respect of credit facilities granted to the subsidiaries. For other financial assets (including short term investments and cash and cash equivalents), the Group and the Company minimize credit risk by dealing exclusively with high credit rating counterparties.

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26. FINANCIAL INSTRUMENTS (CONT'D)

26.3 Credit risk (Cont'd)

26.3.1 Trade receivables

The Group gives its customers credit terms that range between **30 to 60 days** (2023: 30 to 60 days). Credit period extended to its customers is based on careful evaluation of the customers' financial condition and credit history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group requires deposits from the customers.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

The ageing analysis of trade receivables of the Group at the end of the reporting period is as follows:

	GROUP	
	2024 RM	2023 RM
Not past due	925,779	3,001,115
1 to 30 days past due	248,293	680,564
61 to 90 days past due	-	6,304
More than 90 days past due	-	34,359
	248,293	721,227
	1,174,072	3,722,342

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 has been renegotiated during the financial year.

The Group has trade receivables amounting to **RM248,293** (2023: RM721,227) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

The Group has significant concentration of credit risk in the form of outstanding balances due from **6 customers** (2023: 3 customers) representing **100%** (2023: 57%) of the total trade receivables.

Maximum exposure to credit risk

The Group regards the entire trade receivables to be low risk.

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectable and the Group does not have much material historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

26. FINANCIAL INSTRUMENTS (CONT'D)

26.3 Credit risk (Cont'd)

26.3.2 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries up to a limit of **RM461,380** (2023: RM10,000,000), of which the amount utilised as at the end of the reporting period was **RM Nil** (2023: RM64,339), representing the credit risk exposure to the Company as at that date.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

26.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM
GROUP				
2024				
Non-derivative financial liabilities				
Trade and other payables	5,578,479	5,578,479	5,578,479	-
Borrowings	337,083	352,905	154,044	198,861
Total undiscounted financial liabilities	5,915,562	5,931,384	5,732,523	198,861
2023				
Non-derivative financial liabilities				
Trade and other payables	4,077,907	4,077,907	4,077,907	-
Borrowings	539,707	571,288	218,383	352,905
Lease liability	155,025	158,600	158,600	-
	4,772,639	4,807,795	4,454,890	352,905
Derivative financial liability				
Derivatives	31,911	31,911	31,911	-
Total undiscounted financial liabilities	4,804,550	4,839,706	4,486,801	352,905

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Liquidity risk (Cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM
COMPANY			
2024			
Non-derivative financial liabilities			
Trade and other payables, representing total undiscounted financial liabilities	5,662,307	5,662,307	5,662,307
2023			
Non-derivative financial liabilities			
Trade and other payables	4,801,940	4,801,940	4,801,940
Financial guarantees	-	64,339	64,339
* Total undiscounted financial liabilities	4,801,940	4,866,279	4,866,279

The financial guarantees are included for illustration purpose only as they have not crystallised as at the end of the reporting period.

26.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. The Group does not have any floating rate instruments.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period is as follows:

	GROUP	
	2024 RM	2023 RM
Fixed rate instruments		
Financial liabilities	337,083	539,707

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Foreign currency risk

The objectives of the Group's foreign exchange policy are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales, purchases and borrowings that are denominated in currencies other than the functional currency of the Group entities. The currencies giving rise to this risk are United States Dollar ("USD") and Euro ("EUR").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax. A 10% strengthening of RM against the following currencies at the end of the reporting period would have increased in profit before tax and decreased in equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	2024 RM	2023 RM
USD	160,465	373,286
EUR	1,693	21,285
Increase in profit before tax, continuing operations	162,158	394,571
Decrease in equity	123,240	299,874

26.7 Equity price risks

Equity price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial assets designated at FVTPL and FVOCI will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's short-term investments funds with a licensed bank and investment in quoted shares in Malaysia.

Management of the Group and of the Company monitors the investment funds, investment in quoted shares in Malaysia and the material investments within the portfolio on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

Sensitivity analysis for equity price risk

A 5% increase in the quoted prices of the investment at the end of the reporting period would have impacted on profit before tax and equity by the amount shown below, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on short term investment funds.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Equity price risks (Cont'd)

Sensitivity analysis for equity price risk (Cont'd)

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Increase in profit before tax, continuing operations	185,799	87,660	-	-
Decrease in loss before tax, continuing operations	-	-	16,658	-
Increase in equity	285,744	174,722	116,604	87,062

27. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and of the Company's financial assets (other than investments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature.

The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

27.1 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
GROUP					
2024					
Financial asset					
Other investments	5,714,879	-	-	5,714,879	5,714,879
2023					
Financial asset					
Other investments	3,494,449	-	-	3,494,449	3,494,449
Financial liability					
Derivatives	-	31,911	-	31,911	31,911

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

27. FAIR VALUE MEASUREMENT (CONT'D)**27.1 Financial assets that are measured at fair value on a recurring basis (Cont'd)**

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy: (Cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying amount RM
COMPANY					
2024					
Financial asset					
Other investments	2,332,073	-	-	2,332,073	2,332,073
2023					
Financial asset					
Other investments	1,741,245	-	-	1,741,245	1,741,245

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of the reporting period.

Level 2 fair value

Level 2 fair value of the derivatives is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate at the end of the reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, level 2 and level 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its business and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to its shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. The Group and the Company monitor capital using a debt-to-equity ratio, which is calculated as net debts divided by total equity as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Total borrowings	337,083	539,707	-	-
Less: Cash and bank balances	(2,843,303)	(2,952,263)	(56,690)	(363,548)
Net cash	(2,506,220)	(2,412,556)	(56,690)	(363,548)
Total equity	34,217,582	33,036,937	43,598,763	49,131,520
Gearing ratio	N/A	N/A	N/A	N/A

N/A – not applicable as net cash position

29. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

(i) Disposal of properties to related parties

On 24 August 2023, EFSB has entered into a conditional sale and purchase agreement with DFSB for the proposed disposal of EFSB's properties of 2 parcels of freehold land together with the buildings erected thereon ("EFSB Properties") to DFSB for a total disposal consideration of RM15,650,000 upon completion of the proposed disposal of DFSB as mentioned above and a tenancy agreement with DFSB for the proposed tenancy between DFSB, as landlord, and EFSB, as tenant, in respect of EFSB Properties for a period of 2 years with an option to further renew the tenancy for another 2 years at monthly rental upon completion of the proposed disposal of EFSB Properties.

The disposal transaction was completed on 6 August 2024 and the tenancy commenced on 6 August 2024.

(ii) Disposal of a subsidiary

On 24 August 2023, the Company has entered into a conditional share sale agreement with Guan Kok Beng, Guan Shaw Yin and Guan Shaw Kee, the directors of the Company, for the proposed disposal of 2,600,000 ordinary shares and 15,000,000 non-cumulative shares redeemable convertible preference shares in DFSB, representing the entire equity interest of the Company in DFSB, for a total disposal consideration of RM38,900,000.

As at 31 May 2024, the assets and liabilities of DFSB have been presented on the consolidated statements of financial position as assets and liabilities held for sales and results from DFSB is presented separately on the consolidated statements of profit or loss and other comprehensive income as discontinued operation. The carrying amount of the investment in DFSB has also been presented as a non-current asset and liabilities held for sales on the Company's statement of financial position as at 31 May 2024.

The disposal of the subsidiary was completed on 2 July 2024.

ANALYSIS OF SHAREHOLDINGS

as at 30 August 2024

1. **Class of Equity Securities** : Ordinary shares
- Total number of issued Shares** : 44,421,700
- Voting Rights** : 1 vote per share

2. ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 AUGUST 2024

Size of shareholdings	No. of shareholders	No. of shares	% of total issued shares
Less than 100 shares	9	375	*
100 to 1,000 shares	569	511,725	1.15
1,001 to 10,000 shares	370	1,641,500	3.70
10,001 to 100,000 shares	79	2,414,400	5.44
100,001 to less than 5% of issued shares	10	9,001,400	20.26
5% and above of issued shares	1	30,852,300	69.45
TOTAL	1,038	44,421,700	100.00

* Negligible

3. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 AUGUST 2024

Name	No. of shares	% of total issued shares
1. Dato' Sri Tan Han Chuan	30,852,300	69.45
2. Ong Har Hong	2,121,500	4.78
3. Maybank Securities Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Tan Ching Ching)	2,082,300	4.69
4. Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For How Yoke Kam)	1,875,600	4.22
5. Maybank Securities Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Lim Eng Huat)	1,191,500	2.68
6. CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB For Siva Kumar A/L M Jeyapalan (PB))	700,000	1.58
7. Goh Boon Leong	370,700	0.83
8. Sin Len Moi	208,000	0.47
9. CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB For Sharon A/P S I Josop (PB))	200,000	0.45
10. Tang Ko Yik	135,800	0.31
11. Quan Yew Hwat	116,000	0.26
12. Siva Kumar A/L M Jeyapalan	96,800	0.22
13. Lim Soon Huat	92,000	0.21
14. Alliance Group Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Ng Mor Leng)	87,000	0.20
15. TA Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Cheong Kuang Huang)	81,500	0.18

ANALYSIS OF SHAREHOLDINGS

as at 30 August 2024

3. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 AUGUST 2024 (CONT'D)

Name	No. of shares	% of total issued shares
16. Wong Kiong @ Wong Sun Chong	80,000	0.18
17. Lim Yin Sum	78,000	0.18
18. Thum Ying Poon	65,000	0.15
19. Tan Yen Joo	64,000	0.14
20. MD Raus Bin Sharif	60,000	0.14
21. Ling Kui Wee	57,300	0.13
22. Goh Suat Ean	55,500	0.12
23. CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB For Sarojini A/P Kandiah (PB))	50,000	0.11
24. CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB For Mahesh A/L Siva Kumar (PB))	50,000	0.11
25. Wu, Te-Kuei	50,000	0.11
26. Lim Kian Huat	46,000	0.10
27. Arivest Sdn. Bhd.	45,000	0.10
28. Alliance Group Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Ang Saik Cheong)	43,000	0.10
29. Lee Kok Hin	40,800	0.09
30. Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account For Ong Ah Yew @ Ong Keng Wah)	40,000	0.09

4. SUBSTANTIAL SHAREHOLDERS AS AT 30 AUGUST 2024

Name	Direct interest		Deemed interest	
	No. of shares held	% of total issued shares	No. of shares held	% of total issued shares
1. Dato' Sri Tan Han Chuan	30,852,300	69.45	-	-

5. INTEREST OF DIRECTORS AS AT 30 AUGUST 2024

a) Interest in shares of the Company

Name	Direct Interest		Deemed Interest	
	No. of shares held	% of total issued shares	No. of shares held	% of total issued shares
Dato' Sri Tan Han Chuan	30,852,300	69.45	-	-
Guan Shaw Yin	-	-	-	-
Dato' Thor Poh Seng	-	-	-	-
Tan Kok Leong	-	-	-	-
Eng Boon Kiat	-	-	-	-
Yap Kan Lin	-	-	-	-
Ho Jong Ching	-	-	-	-

LIST OF PROPERTIES OF THE GROUP

as at 31 May 2024

Address/Location	Date of acquisition	Description	Use	Tenure	Approximate age of building	Total land area / approximate built up area (sq. ft.)	Net Book Value
1 1168 Kampung Teluk, Sungai Dua, Kawasan Perusahaan Sungai Lokan, 13800 Butterworth	13-05-1995	3 storey office & 1 storey factory	Office, showroom & factory	Freehold	23.5 years	62,140 / 62,600	2,998,068
2 1169 Kampung Teluk, Sungai Dua, Kawasan Perusahaan Sungai Lokan, 13800 Butterworth	7-11-1992	1 storey factory	Factory	Freehold	*28.5 years	69,589 / 40,947	1,087,262
3 No 14 & 16, Lorong Perusahaan Sungai Lokan 3, Taman Perindustrian Baru Butterworth, Sungai Dua, 13800 Butterworth	27-12-1994	2 storey terrace light industrial building	Store	Freehold	24 years	4,368 / 6,218	338,379
4 No 2 Lorong Bakau 3, Kawasan Perusahaan Perabut Sungai Baong, 14200 Sungai Bakap, Seberang Perai Selatan	24-4-1996	1 storey factory	Office & factory	Freehold	20.5 years	247,420 / 152,163	4,314,560
5 Plot A9 & A10, Furniture Village, Sungai Baong, Seberang Perai Selatan	24-4-1996	Industrial land	Vacant	Freehold	0	238,278	1,556,110
							<u>10,294,379</u>

Notes :

The Group does not have a formal revaluation policy for its landed properties

Freehold lands are stated at cost and are not subject to depreciation

* Based on the latest upgrading date of building

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Ninth (29th) Annual General Meeting ("AGM") of Eurospan Holdings Berhad will be conducted in a fully virtual manner through live streaming at Broadcast Venue at the Conference Room, 29th Floor, Menara JKG, No. 282, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 27 November 2024 at 11.00 a.m. for the following purposes: -

AS ORDINARY BUSINESS

- | | |
|---|------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 May 2024 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 3 |
| 2. To approve the payment of Directors' fees of RM218,000 for the financial year ended 31 May 2024. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors' fees of up to RM123,000 from 1 June 2024 until the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. To re-elect Dato' Sri Tan Han Chuan, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election. | Ordinary Resolution 3 |
| 5. To re-elect Dato' Thor Poh Seng, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election. | Ordinary Resolution 4 |
| 6. To re-elect Mr Tan Kok Leong, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election. | Ordinary Resolution 5 |
| 7. To re-elect Mr Eng Boon Kiat, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election. | Ordinary Resolution 6 |
| 8. To re-elect Mr Yap Kan Lin, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election. | Ordinary Resolution 7 |
| 9. To re-elect Ms Ho Jong Ching, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers herself for re-election. | Ordinary Resolution 8 |
| 10. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix the Auditors' remuneration. | Ordinary Resolution 9 |

AS SPECIAL BUSINESS

11. To consider and, if thought fit, pass the following as Ordinary Resolution :

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

"**THAT** pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Party as detailed in Section 2.6 of the Circular to Shareholders dated 30 September 2024 which are necessary for Eurospan Group's day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

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

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
 - (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or
 - (iii) revoked or varied by a resolution passed by the shareholders in a general meeting;
- whichever is earlier."

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS (CONT'D)

12. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016.

By Order of the Board

Tan Shien Yin (MAICSA No. 7018545) (SSM PC No. 202008002719)
Chong Siew Duan (MAICSA No. 7019353) (SSM PC No. 202008002732)
Secretaries

Kuala Lumpur
30 September 2024

Broadcast Venue

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Shareholders/proxies from the public shall attend the 29th AGM, communicate by posing questions to the Board via real time submission of typed texts and vote remotely via Remote Participation and Voting Facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd through its TIH Online website at <https://tiah.online>.

NOTES :

1. Appointment of Proxy

- (a) A member entitled to participate and vote at the AGM via RPV is entitled to appoint one or more proxies (but not more than two) to participate and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- (b) Subject to Paragraph (c) below, a member entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (c) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (e) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Poll Administrator not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:
 - (i) In hard copy form

By hand or post to the appointed Poll Administrator, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

NOTICE OF ANNUAL GENERAL MEETING

NOTES : (CONT'D)

(ii) By electronic means

The proxy form can be electronically lodged with the appointed Poll Administrator via TIH Online at <https://tjih.online>. Kindly refer to the Administrative Guide on the procedures for electronic lodgment of proxy form via TIH Online.

- (f) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.

2. Members entitled to attend the 29th AGM

Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the 29th AGM shall be regarded as member of the Company entitled to attend and vote via RPV at the 29th AGM or appoint a proxy to attend and vote on his behalf.

3. Audited Financial Statements for the financial year ended 31 May 2024

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

4. Ordinary Resolution 1 – Proposed payment of Directors' fees

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors of the Company shall be approved at a general meeting of shareholder. The fees payable to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company. The Directors' fees are in accordance with the remuneration framework of the Group.

5. Ordinary Resolution 2 – Payment of Directors' fees

The proposed Ordinary Resolution is to facilitate the payment of Directors' fees after each month of completed service of the Directors for the period commencing from 1 June 2024 or date of appointment as Directors of the Company until the date of the resignation of the Directors or next Annual General Meeting ("AGM") of the Company. In the event that the Directors' fees proposed is insufficient (e.g. due to enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

6. Ordinary Resolution 3, Ordinary Resolution 4, Ordinary Resolution 5, Ordinary Resolution 6, Ordinary Resolution 7, Ordinary Resolution 8 – Re-election of Directors who retire in accordance with Clause 145 of the Company's Constitution

Clause 145 of the Company's Constitution provides that the Board shall has the power to appoint a person as a director, either to fill a casual vacancy or as an addition to the Board. Any director so appointed shall hold office only until the next Annual General Meeting and shall be eligible for re-election at such meeting.

The following persons (collectively known as Retiring Directors) who were appointed as Directors of the Company on the respective dates as below shall hold office until the conclusion of the 29th AGM of the Company, but shall be eligible for re-election in accordance with Clause 145 of the Constitution of the Company:

Resolution	Name of Directors	Appointment Date
Ordinary Resolution 3	Dato' Sri Tan Han Chuan	6 August 2024
Ordinary Resolution 4	Dato' Thor Poh Seng	6 August 2024
Ordinary Resolution 5	Mr Tan Kok Leong	13 August 2024
Ordinary Resolution 6	Mr Eng Boon Kiat	13 August 2024
Ordinary Resolution 7	Mr Yap Kan Lin	6 August 2024
Ordinary Resolution 8	Ms Ho Jong Ching	15 September 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTES : (CONT'D)

The Board's Nomination Committee ("NC") had carried out an assessment on the Retiring Directors and the findings met the performance criteria required of an effective Board. The Board supported the NC's recommendation for re-election of the Retiring Director, subject to shareholders' approval at the 29th AGM of the Company. The profile of the Retiring Directors is set out in pages 7 to 8 of this Annual Report.

STATEMENT ACCOMPANYING NOTICE OF AGM

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding Directors who are standing for re-election as stated above) at this forthcoming 29th AGM.

PERSONAL DATA PRIVACY

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies) and/or representative(s) prior consent for the Company's (or its agents) processing of such proxy(ies) and/or representative(s) personal data for the Purpose; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING ("29TH AGM") OF EUROSPAN HOLDINGS BERHAD

Date	: Wednesday, 27 November 2024
Time	: 11.00 a.m.
Broadcast Venue	: Conference Room, 29th Floor, Menara JKG, No. 282, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia

MODE OF MEETING

To facilitate greater shareholders' participation, the 29th AGM of the shareholders of the Company will be conducted fully virtual through live streaming and online remote voting via the Remote Participation and Voting Facilities ("RPV").

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. No shareholders/proxies from the public shall be physically present at nor admitted to the Broadcast Venue on the day of the 29th AGM.

REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

Shareholders are to attend, communicate by posing questions to the Board via real time submission of typed texts and vote remotely ("participate") at the 29th AGM using the RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <https://tiah.online>.

Shareholders who appoint proxies to participate via RPV in the 29th AGM must ensure that the duly executed proxy forms are deposited either in a hard copy form or by electronic means with Tricor no later than **25 November 2024 at 11.00 a.m.**

Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than **25 November 2024 at 11.00 a.m.** to participate via RPV in the 29th AGM.

Authorised representatives of corporate members must deposit their original certificate of appointment of authorised representative with Tricor.

A shareholder who has appointed a proxy or attorney or authorised representative to participate in the 29th AGM via RPV must request his/her proxy or attorney or authorized representative to register himself/herself for RPV at TIIH Online website at <https://tiah.online>.

As the 29th AGM is a fully virtual AGM, members who are unable to participate in the 29th AGM may appoint the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

PROCEDURES FOR RPV FACILITIES

Shareholders/proxies/attorney/authorised representatives who wish to participate at the 29th AGM remotely using the RPV are to follow the requirements and procedures as summarised below:

Procedure	Action
BEFORE THE 29TH AGM	
1. Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiah.online. Register as a user under the "e-Services" select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING ("29TH AGM") OF EUROSPAN HOLDINGS BERHAD (CONT'D)

Procedure	Action
BEFORE THE 29TH AGM (CONT'D)	
2. Submit your Request to Attend 29 TH AGM remotely	<ul style="list-style-type: none"> Registration is open from Monday, 30 September 2024 until the day of 29th AGM on Wednesday, 27 November 2024. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 29th AGM to ascertain their eligibility to participate the 29th AGM using the RPV. Login with your user ID and password and select the corporate event: "(REGISTRATION) EUROSPAN HOLDINGS BERHAD 29TH AGM". Read and agree to the Terms & Conditions and confirm the Declaration. Select "Register for Remote Participation and Voting". Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the General Meeting Record of Depositors as at 20 November 2024, the system will send you an e-mail after 25 November 2024 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i></p>
ON THE 29TH AGM DAY	
1. Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 29th AGM at any time from 10.00 a.m. i.e. 1 hour before the commencement of the 29th AGM on Wednesday, 27 November 2024 at 11.00 a.m.
2. Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAMING MEETING) EUROSPAN HOLDINGS BERHAD 29TH AGM" to engage in the proceedings of the 29th AGM remotely. If you have any question for the Chairperson/Board, you may use the Query Box to transmit your question. The Chairperson/Board will endeavor to respond to relevant questions submitted by remote participants during the 29th AGM.
3. Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 11.00 a.m. on Wednesday, 27 November 2024 until a time when the Chairperson announces the completion of the voting session of the 29th AGM. Select the corporate event: "(REMOTE VOTING) EUROSPAN HOLDINGS BERHAD 29TH AGM" or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
4. End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairperson on the closure of the 29th AGM, the live streaming will end.

Notes to users of the RPV:

- Should your application to join the meeting be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING ("29TH AGM") OF EUROSPAN HOLDINGS BERHAD (CONT'D)

- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616/011-40803168/011-40803169/011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor's TIIH Online website are summarised below:-

Procedure	Action
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STEPS FOR INDIVIDUAL SHAREHOLDERS

- Register as a User with TIIH Online
 - Using your computer, access the website at <https://tiih.online>. Register as a user under the "**e-Services**". Please refer to the tutorial guide posted on the homepage for assistance.
 - If you are already a user with TIIH Online, you are not required to register again.
- Proceed with submission of Proxy Form
 - After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.
 - Select the corporate event: **EUROSPAN HOLDINGS BERHAD 29TH AGM - "SUBMISSION OF PROXY FORM"**.
 - Read and agree to the Terms and Conditions and confirm the Declaration.
 - Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.
 - Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.
 - Review and confirm your proxy(s) appointment.
 - Print the Proxy Form for your record.

STEPS FOR CORPORATE OR INSTITUTIONAL SHAREHOLDERS

- Register as a User with TIIH Online
 - Access TIIH Online at <https://tiih.online>.
 - Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "**Create Account by Representative of Corporate Holder**".
 - Complete the registration form and upload the required documents.
 - Registration will be verified, and you will be notified by e-mail within one (1) to two (2) working days.
 - Proceed to activate your account with the temporary password given in the e-mail and re-set your own password.

Note:

The representative of a corporation or institutional shareholder must register as a user first in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Poll Administrator if you need clarifications on the user registration.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING ("29TH AGM") OF EUROSPAN HOLDINGS BERHAD (CONT'D)

ELECTRONIC LODGEMENT OF PROXY FORM (CONT'D)

Procedure	Action
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STEPS FOR CORPORATE OR INSTITUTIONAL SHAREHOLDERS

2. Proceed with submission of Proxy Form
 - Login to TIH Online at <https://tjih.online>.
 - Select the corporate exercise name: **"EUROSPAN HOLDINGS BERHAD 29TH AGM - SUBMISSION OF PROXY FORM"**.
 - Agree to the Terms & Conditions and Declaration.
 - Proceed to download the file format for **"Submission of Proxy Form"** in accordance with the Guidance Note set therein.
 - Prepare the file for the appointment of proxies by inserting the required data.
 - Submit the proxy appointment file.
 - Login to TIH Online, select corporate exercise name: **"EUROSPAN HOLDINGS BERHAD : SUBMISSION OF PROXY FORM"**.
 - Proceed to upload the duly completed proxy appointment file.
 - Select **"Submit"** to complete your submission.
 - Print the confirmation report of your submission for your record.

NO REFRESHMENT VOUCHER/ DOOR GIFT

There will be no distribution of refreshment voucher or door gift for the 29th AGM.

The Board of Directors of Eurospan Holdings Berhad would like to thank all its shareholders for their co-operation and understanding in these challenging times.

ENQUIRY

If you have any enquiries on the above, please contact our Poll Administrator during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

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EUROSPAN HOLDINGS BERHAD
Company No. 199501022724 (351927-M)
EST.1972

PROXY FORM

For the 29th Annual General Meeting ("AGM")

CDS Account No.

No. of shares held

I/We _____ [Full name in block letters and NRIC No. / Registration No.]

of _____ [Address and Contact No.]

being a member/members of Eurospan Holdings Berhad, hereby appoint:-

Full Name (in block letters)	NRIC/Passport/ Registration No.	Email Address	Proportion of Shareholdings	
			No. of Shares	%
and/or (delete as appropriate)				

or failing whom, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf, at the Twenty-Ninth Annual General Meeting of the shareholders of the Company to be conducted in a fully virtual manner at Broadcast Venue at the Conference Room, 29th Floor, Menara JKG, No. 282, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia on Wednesday, 27 November 2024 at 11.00 a.m. or any adjournment thereof:-

Ordinary Business		For	Against
To approve the payment of Directors' fees of RM218,000 for the financial year ended 31 May 2024.	Ordinary Resolution 1		
To approve the payment of Directors' fees of up to RM123,000 from 1 June 2024 until the next Annual General Meeting of the Company.	Ordinary Resolution 2		
To re-elect Dato' Sri Tan Han Chuan, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election.	Ordinary Resolution 3		
To re-elect Dato' Thor Poh Seng, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election.	Ordinary Resolution 4		
To re-elect Mr Tan Kok Leong, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election.	Ordinary Resolution 5		
To re-elect Mr Eng Boon Kiat, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election.	Ordinary Resolution 6		
To re-elect Mr Yap Kan Lin, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers himself for re-election.	Ordinary Resolution 7		
To re-elect Ms Ho Jong Ching, a Director retiring pursuant to Clause 145 of the Company's Constitution and who, being eligible, offers herself for re-election.	Ordinary Resolution 8		
To re-appoint Messrs Grant Thornton Malaysia PLT as the Company's Auditors and to authorise the Directors to fix the Auditors' remuneration.	Ordinary Resolution 9		
Special Business			
Proposed Renewal of Shareholders' Mandate	Ordinary Resolution 10		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signature of Shareholder(s) / Common Seal

Dated this day of....., 2024.

Notes:-

- A member entitled to participate and vote at the AGM via RPV is entitled to appoint one or more proxies (but not more than two) to participate and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without restriction as to the qualification of the proxy.
- Subject to Paragraph (c) below, a member entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Poll Administrator not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:
 - In hard copy form
By hand or post to the appointed Poll Administrator, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - By electronic means
The proxy form can be electronically lodged with the appointed Poll Administrator via TIH Online at <https://tjih.online>. Kindly refer to the Administrative Guide on the procedures for electronic lodgment of proxy form via TIH Online.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.
- Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the 29th AGM shall be regarded as member of the Company entitled to attend and vote via RPV at the 29th AGM or appoint a proxy to attend and vote on his behalf.



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Affix
Stamp

EUROSPAN HOLDINGS BERHAD

Company No. 199501022724 (351927-M)

c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Malaysia

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EUROSPAN HOLDINGS BERHAD

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