

# EUROSPAN HOLDINGS BERHAD

[Registration No.: 199501022724 (351927-M)] [Incorporated in Malaysia]

Minutes of the 29<sup>th</sup> Annual General Meeting of the shareholders of the Company conducted in a fully virtual manner through live streaming at Broadcast Venue at Conference Room, 29<sup>th</sup> Floor, Menara JKG, No. 282, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia on Wednesday, 27 November 2024 at 11.00 a.m.

Present at : Board of Directors

Broadcast Venue

Dato' Sri Tan Han Chuan

*(Non-Executive Chairman)*

Dato' Thor Poh Seng

*(Non-Independent Non-Executive Director)*

Mr Guan Shaw Yin

*(Executive Director)*

Mr Tan Kok Leong

*(Non-Independent Non-Executive Director)*

Mr Eng Boon Kiat

*(Non-Independent Non-Executive Director)*

Mr Yap Kan Lin

*(Independent Non-Executive Director)*

Attended via : Ms Ho Jong Ching  
video  
conferencing

*(Independent Non-Executive Director)*

By invitation

Finance Manager

Ms Tan Meow Yee

Auditors

Mr Lau Tiang Hua

*(Messrs Grant Thornton Malaysia PLT)*

Ms Yeap Bee Har

*(Messrs Grant Thornton Malaysia PLT)*

Poll Administrator

Ms Loo Mun Har

*(Tricor Investor & Issuing House Sdn Bhd)*

Scrutineer

Mr Pang Harn Jiunn

Representatives of Secretary

Ms Tan Shien Yin

Ms Chong Siew Duan

Ms Lim Lai Sam

Shareholders/ : As per Attendance List

Proxies attended

via Tricor's TIIH

online website

## **CHAIRMAN OF MEETING**

Dato' Thor Poh Seng commenced the meeting with a welcome address to the members present and informed that the Board had decided for the 29<sup>th</sup> Annual General Meeting ("29<sup>th</sup> AGM" or "the Meeting") of the shareholders of the Company be conducted in a fully virtual manner through live streaming at the Broadcast Venue using Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website to facilitate greater shareholders' participation. Dato' Thor informed that he was requested by YBhg Dato' Sri Tan Han Chuan, Chairman of the Board, to chair the Meeting on his behalf.

Then Chairman of the Meeting took the opportunity to introduce the other Board members and invitees who also joined the AGM.

The Chairman of the meeting informed that the attendance of the Meeting was restricted to shareholders, proxies and authorised representatives of corporate shareholders who have registered to join the meeting remotely.

## **QUORUM**

Having confirmed the sufficiency of quorum, the Chairman proceeded to call the Meeting to order.

## **NOTICE OF MEETING**

The notice convening the Meeting as contained in the 2024 Annual Report which had been despatched to all shareholders and published in a local newspaper on 30 September 2024, was taken as read.

## **ANNOUNCEMENT S ON VOTING PROCEDURES**

Prior to tabling the proposed Ordinary Resolutions at the Meeting, the Chairman informed that in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, any resolution set out in the notice of any general meeting was required to be voted on by poll.

The Chairman also briefed the shareholders/proxies the flow of the meeting whereat the Chairman would first go through all the ten (10) ordinary resolutions in the Notice of 29<sup>th</sup> AGM, followed by Question and Answer session (“Q&A session”) during which shareholders/proxies could raise their questions/concern in relation to the proposed ten (10) ordinary resolutions in the query box and the Board would respond to them. Subsequently, all the Resolutions would be put for voting remotely using the Remote Participation Voting (“RPV”) facilities. For that, the Company had appointed Tricor Investor & Issuing House Sdn Bhd (“Tricor”) as the Poll Administrator whilst, Mr. Pang Harn Jiunn, an Associate member of Institute of Internal Audit Malaysia, was the Independent Scrutineer to scrutinise the polling process and to validate votes cast at the 29<sup>th</sup> AGM.

Prior to commencing with the Agenda items of the Meeting, the Chairman invited the representative from Tricor to explain the voting procedures and the way to raise questions through the RPV application.

## **DIRECTORS’ REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MAY, 2024 AND THE AUDITORS’ REPORT THEREON**

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The Chairman informed the shareholders/proxies that the Audited Financial Statements of the Group and the Company for the financial year ended 31 May 2024, together with the Reports of the Directors and Auditors thereon, were tabled for discussion and shareholders’ clarification only and would not be put forward for voting as the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements.

Shareholders/proxies who joined the meeting were informed that they could raise questions by typing them in the query box and the Board would address the questions during the Q&A session.

The Chairman then declared the Audited Financial Statements for the financial year ended 31 May 2024 together with the Reports of the Directors and the Auditors thereon as received by the shareholders and proxies present.

**ORDINARY RESOLUTION 1**

**- PAYMENT OF DIRECTORS' FEES OF RM218,000 FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

The shareholders/proxies were informed that the proposed Ordinary Resolution 1 was to approve the payment of Directors' fees of RM218,000 for the financial year ended 31 May 2024.

The following motion was put to the Meeting for consideration :

**"THAT** the payment of Directors' fees of RM218,000 for the financial year ended 31 May 2024 be approved."

**ORDINARY RESOLUTION 2**

**- PAYMENT OF DIRECTORS' FEES OF UP TO RM123,000 FROM 1 JUNE 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY**

The Chairman informed that the proposed Ordinary Resolution 2 was to approve the payment of Directors' fees of up to RM123,000 to all the Directors of the Company from 1 June 2024 until the next Annual General Meeting ("AGM") of the Company, to facilitate the payment of fees to Directors of the Company after each month of their completed service for the period commencing from 1 June 2024 or date of appointment until the date of the resignation or the date of the next AGM of the Company.

The Chairman then put the following motion to the Meeting for consideration :

**"THAT** the payment of Directors' fees of up to RM123,000 from 1 June 2024 until the next AGM of the Company be approved"

**ORDINARY RESOLUTION 3**

**- RE-ELECTION OF DATO' SRI TAN HAN CHUAN**

The Chairman put the following motion to the Meeting for consideration :

**"THAT** Dato' Sri Tan Han Chuan, retiring pursuant to Clause 145 of the Company's Constitution, be re-elected as a Director of the Company."

**ORDINARY RESOLUTION 4**

**- RE-ELECTION OF DATO' THOR POH SENG**

The Chairman informed that the proposed Ordinary Resolution 4 was for the re-election of himself as Director of the Company and since he was an interested party in the proposed resolution, he vacated the chair for his fellow Board member, Dato' Sri Tan Han Chuan, to proceed with the meeting.

Dato' Sri Tan took the Chair at the Meeting and put the following motion for consideration of the shareholders/proxies : -

**"THAT** Dato' Thor Poh Seng, retiring pursuant to Clause 145 of the Company's Constitution, be re-elected as a Director of the Company"

Pursuant to the tabling of Ordinary Resolution 4, Dato' Thor was invited to proceed with the rest of the Meeting.

**ORDINARY RESOLUTION 5**  
**- RE-ELECTION OF MR TAN KOK LEONG**

Dato' Thor took the chair at the meeting and put the following motion to the Meeting for consideration : -

**“THAT** Mr Tan Kok Leong, retiring pursuant to Clause 145 of the Company's Constitution, be re-elected as a Director of the Company”

**ORDINARY RESOLUTION 6**  
**- RE-ELECTION OF MR ENG BOON KIAT**

The following motion was put to the Meeting for consideration : -

**“THAT** Mr Eng Boon Kiat, retiring pursuant to Clause 145 of the Company's Constitution, be re-elected as a Director of the Company”

**ORDINARY RESOLUTION 7**  
**- RE-ELECTION OF MR YAP KAN LIN**

The proposed Ordinary Resolution 7 below was put forward to the meeting for consideration :-

**“THAT** Mr Yap Kan Lin, retiring pursuant to Clause 145 of the Company's Constitution, be re-elected as a Director of the Company”

**ORDINARY RESOLUTION 8**  
**- RE-ELECTION OF MS HO JONG CHING**

The following motion was put to the Meeting for consideration : -

**“THAT** Ms Ho Jong Ching, retiring pursuant to Clause 145 of the Company's Constitution, be re-elected as a Director of the Company”

**ORDINARY RESOLUTION 9**  
**- RE-APPOINTMENT OF MESSRS GRANT THORNTON MALAYSIA PLT AS**  
**AUDITORS OF THE COMPANY**

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The shareholders/proxies were informed that Messrs Grant Thornton Malaysia PLT had indicated their willingness to seek re-appointment as Auditors of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors.

The following motion was put to the meeting for consideration : -

**“THAT** Messrs. Grant Thornton Malaysia PLT be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and the Directors be authorized to fix their remuneration.”

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**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 10**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The shareholders/proxies were informed that the Proposed Renewal of Shareholders' Mandate, if approved, will enable the Group to carry out Recurrent Related Party Transactions necessary for the Group's day-to-day operations, which are time sensitive in nature, without the need to make any announcement and convene general meetings to approve such transactions whenever such transactions arise from time to time, thereby reducing the time, resources and costs associated with the administrative efforts to make announcements and convene general meetings.

The proposed Ordinary Resolution 10 below was put forward to the meeting for consideration :-

**"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"

**OTHER BUSINESS**

It was noted that there was no other business for which due notice had been given and the Chairman proceeded to the questions and answer session.

**QUESTIONS AND ANSWERS SESSION**

The Chairman informed that the Company had on 20 November 2024 received a letter from the Minority Shareholders Watch Group (MSWG) who raised some questions to be answered at the Meeting. The Chairman then proceeded to read out the Board's response to MSWG's questions which were projected on the screen for viewing by the members/proxies who participated at the meeting. A copy of MSWG's questions and the Board's response thereto is given as Appendix I.

It was noted that there was no other questions raised at the Meeting, the Chairman proceed to voting session.

## **VOTING SESSION**

All the ten (10) Ordinary Resolutions were put for voting by the shareholders/proxies by poll via Remote Participation and Voting facilities.

After the close of voting session, the Chairman announced a break of 20 minutes for the meeting, to facilitate the counting of votes by the Poll Administrators and the verification of the poll results by the scrutineer.

## **POLL RESULTS**

The Meeting resumed at about 12.08 p.m. and the tabulation of the votes for all the ten (10) ordinary resolutions, duly verified by the Independent Scrutineer, were projected on the screen for the shareholders' notation as below:

Resolution	Vote "For"		Vote "Against"		Total Votes	
	No. of shares	%	No. of shares	%	No. of shares	%
<b>Ordinary Resolution 1</b>	33,971,395	100.00	0	0	33,971,395	100.00
<b>Ordinary Resolution 2</b>	3,119,095	100.00	0	0	3,119,095	100.00
<b>Ordinary Resolution 3</b>	3,119,095	100.00	0	0	3,119,095	100.00
<b>Ordinary Resolution 4</b>	33,971,395	100.00	0	0	33,971,395	100.00
<b>Ordinary Resolution 5</b>	33,971,395	100.00	0	0	33,971,395	100.00
<b>Ordinary Resolution 6</b>	33,971,395	100.00	0	0	33,971,395	100.00
<b>Ordinary Resolution 7</b>	33,971,395	100.00	0	0	33,971,395	100.00
<b>Ordinary Resolution 8</b>	33,971,395	100.00	0	0	33,971,395	100.00
<b>Ordinary Resolution 9</b>	33,971,395	100.00	0	0	33,971,395	100.00
<b>Special Business Ordinary Resolution 10</b>	33,971,395	100.00	0	0	33,971,395	100.00

Based on the poll results, the Chairman declared all the resolutions tabled at 29<sup>th</sup> AGM carried.

## **CONCLUSION**

The Chairman thanked all the shareholders/proxies for their participation and ended the meeting at 12.10 p.m.

CONFIRMED AS TRUE AND  
CORRECT RECORD

DATO' THOR POH SENG  
Chairman of the Meeting

Date : 18 December 2024

# **(A) OPERATIONAL & FINANCIAL MATTERS**

## **Question 1: Continuing Operations**

In the financial year ended 31 May 2024 (FY2024), Eurospan recorded revenue of RM23.02 million (Page 74 of the Annual Report (AR) 2024/AR2024) and a profit after tax (PAT) of RM5.70 million (Page 48 of AR2024) as compared to the revenue of RM37.37 million (Page 74 of AR2024) and a PAT of RM14.83 million reported in the immediately preceding year (FY2023) (Page 48 of AR2024).

The Group foresees a more challenging business environment for the financial year ending 31 May 2025 (FY2025) with the global market uncertainty with the ongoing Israel- Hamas conflict, Russia-Ukraine war and the rising global inflation rate and interest rate (Page 6 of AR2024).

## **(A) OPERATIONAL & FINANCIAL MATTERS**

- a) How would the Board and management intend to manage the Group's future financial performance, mainly when the revenue recorded in FY2024 dropped by more than 30% against the previous year?
- b) Why did the Asia Pacific geographical market segment see a sharp decline in its revenue contribution in FY2024 (Page 74 of AR2024)?
- c) To what extent will the abovementioned factors, such as the geographical conflicts, impact the Group's export markets and business in the next two financial years?
- d) Has the industry undergone changes in the last few months? If so, where is it headed to?



# **(A) OPERATIONAL & FINANCIAL MATTERS**

## **Reply to Question 1:**

The Group has been facing a challenging business environment amidst increasing competition in its furniture and wood-based products business which saw its revenue recorded in FY2024 drop by 38% compared to the previous year.

- a) In order to manage the current extremely challenging business environment, the Group has decided to adopt an asset-light strategy which will reduce fixed overheads and improve the use of the Group's resources as well as enabling the Group to compete in a more cost-efficient manner. In line with the above strategy, on 24 August 2023, the Company announced the proposals to dispose of a subsidiary and properties to related parties. The proposed disposals were completed on 2 July 2024 and 6 August 2024 respectively. As set out in the Circular to Shareholders dated 20 November 2023, the cash proceeds from the proposed disposals are expected to have favorable impact to our Group's financial performance.

## **(A) OPERATIONAL & FINANCIAL MATTERS**

- b) The Asia Pacific geographical market segment saw a sharp decline in its revenue contribution in FY2024 was mainly due to economic challenges, high inflation, lower growth and reduced spending power, amidst geopolitical concerns faced by the region.
- c) The global market is expected to remain uncertain with the on-going wars in the Middle East and the Russia-Ukraine conflict and the rising of global inflation rate and interest rate. Therefore, the Group's export markets, and business is not expected to show improvement in the next two financial years. However, as mentioned, with the downsizing of current operations and the cash proceeds from the proposed disposals strengthening our financial position and liquidity, we are hopeful of riding over this difficult period.
- d) The industry has not experienced significant growth in the past few months due to concerns of the ongoing of the wars and the recent American Presidential election. Consumers' preference has also shifted from wood-based furniture to cheaper alternatives.

# **(A) OPERATIONAL & FINANCIAL MATTERS**

## **Question 2: Research and Development (R&D)**

As a leading furniture maker, Eurospan continues to diversify its 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 its R&D undertakes to ensure that it produces the finest quality products (Page 6 of AR2024).

- a) Is the development of the new OEM and ODM a "paradigm shift in manufacturing" for the Group? If so, to what extent must the need be shifted to meet the new standard? What is the critical part of this development, and which function entails the most significant cost and time?
- b) Cost-wise, how much has been spent and is to be spent by the R&D Division on this initiative in the next two financial years?

# **(A) OPERATIONAL & FINANCIAL MATTERS**

## **Reply to Question 2:**

- a) The development of the new OEM and ODM does not constitute a “paradigm shift in manufacturing” for the Group, as meeting the requirements of the OEM and ODM have been an on-going process. However, to meet the requirements of OEM and ODM, adjustments may still be necessary in certain areas, such as streamlining production processes and enhancing collaboration with customers to align with their specific needs.
- b) The Group does not intend to allocate significant investments in the R&D Division for the development of OEM and ODM initiatives. Instead, the focus will be on maintaining R&D expenditure at a minimal level to align with the Group's cost-reduction strategies. The aim is to ensure that the necessary advancements are achieved efficiently without incurring substantial costs, thereby supporting the Group's overall performance improvement objectives.

# **(A) OPERATIONAL & FINANCIAL MATTERS**

## **Question 3:**

The Group continuously seeks long-term partnerships with international buyers to identify market niches in high-growth countries and further enhance its delivery capabilities (Page 6 of AR2024).

- a) What is the update on seeking long-term partnerships with international buyers? Have any new export markets been identified? If so, what are those markets?
- b) With OEM and ODM capabilities, what sort of international buyers that the Group seek for long-term partnerships? What are the criteria set for this?

# **(A) OPERATIONAL & FINANCIAL MATTERS**

## **Reply to Question 3:**

- a) The Group remain remains committed to establishing long-term partnerships with international buyers to strengthen its presence in high-growth markets. While no specific new export markets have been finalized yet, efforts are ongoing to identify and evaluate potential opportunities.
- b) With the OEM and ODM capabilities, the Group aims to partner with international buyers who prioritize customized, high-quality products and value long-term, collaborative relationships.

## **(B) SUSTAINABILITY MATTERS**

### **Question 4: Energy Management**

One of the subsidiaries has installed a solar system to generate sustainable energy reliably and at the same time have access to a 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 (Page 25 of AR2024).

- a) To what extent has the use of a solar system aided the Group in reducing its carbon footprint?
- b) Has the Company realised any cost saving or other benefits and reduced its overall energy consumption? If so, what are the figures?

## **(B) SUSTAINABILITY MATTERS**

### **Reply to Question 4:**

- a) The Group's efforts to reduce reliance on grid electricity or diesel generators not only significantly lower carbon emissions but also lead to substantial energy cost savings, thereby contributing to both environmental and financial sustainability. The Group's total annual energy consumption stands at 2,060.09 megawatt-hours (MWh). Solar power installed contributed 40.60 MWh in annual energy savings, reducing the Group's reliance on grid electricity or diesel generators.
- b) The solar power system achieved an ROI of 3.43 years, demonstrating cost-effectiveness and quick financial return. In addition, the solar installation qualified for tax incentives, which provided additional benefits for corporate tax planning and improving the Group's overall financial sustainability.



## (B) SUSTAINABILITY MATTERS

### Question 5: Health and Safety Standards Training

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

(Page 29 of AR2024)

As reported above, the Company trained 171 employees in health and safety standards (HSS). What is the percentage of those trained in HSS over the Company's workforce for FY2024? How many employees will be trained in HSS in FY2025, and what type of HSS training will be provided for them?

## **(B) SUSTAINABILITY MATTERS**

### **Reply to Question 5:**

The 171 employees trained in HSS represent 100% of the Company's workforce for FY2024. The company aims to maintain 100% of employees trained in HSS during FY2025. This includes ensuring that all new hires undergo comprehensive HSS training while providing regular refresher sessions for existing staff.

To promote a "Safety First" culture in the workplace, the Company will focus on providing training on matters related to Fire Safety, First Aid Training, Fire Drill.

# **(C) CORPORATE GOVERNANCE MATTERS**

## **Question 6:**

Practice 5.9 of Malaysian Code on Corporate Governance (MCCG) states that the board comprises at least 30% women directors.

The Company's response: Departure. The Board is supportive of gender diversity in its Board composition and senior management team. At present, there is one female Director on the Board. The Board via its Nominating Committee may recommend more women participation as and when it deems necessary (Page 26 of CG Report 2024).

Since the Board is supportive of gender diversity, and the current female director represents only 14.29% of the Board composition, does the Company intend to adopt Practice 5.9? If so, what are the plans and targeted timeframe to achieve this?

# **(C) CORPORATE GOVERNANCE MATTERS**

## **Reply to Question 6:**

The Board, whilst acknowledging the importance of having gender diversity in its Board composition and recognizing the benefits it can bring to Board effectiveness, is of the view that the normal selection criteria based on the effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

Despite no specific targets and timeframe being set, the Board is committed to progressively improving gender diversity.