

**EUROSPAN HOLDINGS BERHAD 199501022724 (351927-M)**

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MAY 2024**

|   | (Unaudited)<br>31-May-24<br>RM'000 | (Audited)<br>31-May-23<br>RM'000 |
|---|------------------------------------|----------------------------------|
| <b>ASSETS</b>   |                                    |                                  |
| Property, plant and equipment                             | 3,985                              | 17,288                           |
| Right-of-use assets                                       | -                                  | 151                              |
| Other investment  | 1,999                              | 3,494                            |
| Deferred tax asset  | -                                  | 72                               |
| <b>Total non-current assets</b>                           | <u>5,984</u>                       | <u>21,005</u>                    |
| Inventories   | 3,890                              | 8,155                            |
| Trade and other receivables                               | 5,838                              | 8,019                            |
| Tax recoverable   | 54                                 | 478                              |
| Short term investments                                    | 3,716                              | -                                |
| Cash and cash equivalents                                 | 2,843                              | 2,952                            |
| Assets held for sale                                      | 4,092                              | 1,490                            |
| Assets of disposal group classified as held for sale      | 20,201                             | -                                |
| <b>Total current assets</b>                               | <u>40,634</u>                      | <u>21,094</u>                    |
| <b>TOTAL ASSETS</b>                                       | <u><u>46,618</u></u>               | <u><u>42,099</u></u>             |
| <b>EQUITY</b>   |                                    |                                  |
| Share capital   | 52,796                             | 52,796                           |
| Accumulated losses  | (18,578)                           | (19,759)                         |
| <b>Total equity attributable to owners of the parent</b>  | <u>34,218</u>                      | <u>33,037</u>                    |
| <b>LIABILITIES</b>  |                                    |                                  |
| Provision for gratuity benefit                            | -                                  | 3,207                            |
| Borrowings  | -                                  | 337                              |
| <b>Total non-current liabilities</b>                      | <u>-</u>                           | <u>3,544</u>                     |
| Provision for gratuity benefit                            | 3,411                              | -                                |
| Borrowings  | 337                                | 203                              |
| Trade and other payables                                  | 7,610                              | 5,128                            |
| Derivatives   | -                                  | 32                               |
| Liabilities of disposal group classified as held for sale | 1,042                              | -                                |
| <b>Total current liabilities</b>                          | <u>12,400</u>                      | <u>5,518</u>                     |
| <b>Total liabilities</b>                                  | <u>12,400</u>                      | <u>9,062</u>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       | <u><u>46,618</u></u>               | <u><u>42,099</u></u>             |
| Net assets per share (sen)                                | 77.03                              | 74.37                            |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2023.)

(The notes set out on pages 5 to 13 form an integral part of, and, should be read in conjunction with, this interim financial report.)

**AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024 (UNAUDITED)**

|   | Individual Quarter |                       | Cumulative Quarter  |                       |
|---|--------------------|-----------------------|---------------------|-----------------------|
|   | 3 months           | 3 months              | 12 months           | 12 months             |
|   | ended              | ended                 | ended               | ended                 |
|   | 31-May-24          | 31-May-23             | 31-May-24           | 31-May-23             |
|   | RM'000             | RM'000                | RM'000              | RM'000                |
| <b>Continuing operations</b>                          |                    |                       |                     |                       |
| Revenue   | 4,946              | 7,646                 | 23,231              | 37,646                |
| Cost of sales   | (4,080)            | (7,440)               | (21,304)            | (33,112)              |
| <b>Gross profit</b>                                   | <u>866</u>         | <u>206</u>            | <u>1,927</u>        | <u>4,534</u>          |
| Selling and distribution expenses                     | (223)              | (173)                 | (784)               | (1,089)               |
| Administrative expenses                               | (883)              | (2,390)               | (7,740)             | (8,788)               |
| Finance costs   | (11)               | (20)                  | (63)                | (148)                 |
| Other operating expenses                              | (47)               | (344)                 | (319)               | (1,889)               |
| Other incomes   | 445                | 438                   | 8,860               | 1,294                 |
| <b>Profit/(Loss) before tax</b>                       | <u>147</u>         | <u>(2,283)</u>        | <u>1,881</u>        | <u>(6,086)</u>        |
| Taxation  | (145)              | 55                    | (700)               | (58)                  |
| <b>Profit/(Loss) after tax for the year</b>           | <u>2</u>           | <u>(2,228)</u>        | <u>1,181</u>        | <u>(6,144)</u>        |
| Other comprehensive income for the year               | -                  | -                     | -                   | -                     |
| <b>Total comprehensive profit/(loss) for the year</b> | <u><u>2</u></u>    | <u><u>(2,228)</u></u> | <u><u>1,181</u></u> | <u><u>(6,144)</u></u> |
| Profit/(Loss) attributable to :                       |                    |                       |                     |                       |
| Owners of the Parent                                  | 2                  | (2,228)               | 1,181               | (6,144)               |
| Minority interest                                     | -                  | -                     | -                   | -                     |
| <b>Profit/(Loss) after tax for the year</b>           | <u><u>2</u></u>    | <u><u>(2,228)</u></u> | <u><u>1,181</u></u> | <u><u>(6,144)</u></u> |
| Total comprehensive profit/(loss) attributable to :   |                    |                       |                     |                       |
| Owners of the Parent                                  | 2                  | (2,228)               | 1,181               | (6,144)               |
| Minority interest                                     | -                  | -                     | -                   | -                     |
| <b>Total comprehensive profit/(loss) for the year</b> | <u><u>2</u></u>    | <u><u>(2,228)</u></u> | <u><u>1,181</u></u> | <u><u>(6,144)</u></u> |
| Basic profit/(loss) per ordinary share (sen)          | 0.00               | (5.02)                | 2.66                | (13.83)               |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2023.)

(The notes set out on pages 5 to 13 form an integral part of, and, should be read in conjunction with, this interim financial report.)

**EUROSPAN HOLDINGS BERHAD 199501022724 (351927-M)**

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024 (UNAUDITED)**

|   | Share capital | Accumulated losses | Total         |
|---|---------------|--------------------|---------------|
|   | RM'000        | RM'000             | RM'000        |
| <b>Balance as at 1 June 2022</b>        | 52,796        | (13,615)           | 39,181        |
| Total comprehensive loss for the year   | -             | (6,144)            | (6,144)       |
| <b>Balance as at 31 May 2023</b>        | <b>52,796</b> | <b>(19,759)</b>    | <b>33,037</b> |
| <b>Balance as at 1 June 2023</b>        | 52,796        | (19,759)           | 33,037        |
| Total comprehensive profit for the year | -             | 1,181              | 1,181         |
| <b>Balance as at 31 May 2024</b>        | <b>52,796</b> | <b>(18,578)</b>    | <b>34,218</b> |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2023.)

(The notes set out on pages 5 to 13 form an integral part of, and, should be read in conjunction with, this interim financial report.)

**EUROSPAN HOLDINGS BERHAD 199501022724 (351927-M)**

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024 (UNAUDITED)**

|  | Cumulative Quarter<br>12 months ended |                     |
|--|---------------------------------------|---------------------|
|  | 31-May-24<br>RM'000                   | 31-May-23<br>RM'000 |
| <b>Cash flows from operating activities</b>                      |                                       |                     |
| Profit/(Loss) before tax   | 1,881                                 | (6,086)             |
| Adjustments for :  |                                       |                     |
| Depreciation of property, plant and equipment                    | 1,155                                 | 1,741               |
| Depreciation of right-of-use assets                              | 45                                    | 181                 |
| Fair value loss on derivatives                                   | -                                     | 32                  |
| Fair value (gain)/loss on other investment                       | (408)                                 | 62                  |
| Gain on disposal of on investment                                | -                                     | (46)                |
| Gain on disposal of property, plant and equipment                | (6,691)                               | (689)               |
| Interest expense   | 14                                    | 88                  |
| Interest income  | (365)                                 | (99)                |
| Impairment loss on property, plant and equipment                 | -                                     | 43                  |
| Property, plant and equipment written off                        | -                                     | 253                 |
| Inventories written off  | -                                     | 1,339               |
| Provision for gratuity benefit                                   | 203                                   | 193                 |
| Gain on foreign exchange - unrealised                            | (287)                                 | (480)               |
| Operating loss before working capital changes                    | (4,453)                               | (3,468)             |
| Decrease in inventories  | 2,261                                 | 5,233               |
| Decrease/(Increase) in receivables                               | 849                                   | (2,299)             |
| Increase/(Decrease) in payables                                  | 3,496                                 | (3,095)             |
| Cash generated from/(used in) operations                         | 2,153                                 | (3,629)             |
| Income tax paid  | (708)                                 | (65)                |
| Income tax refunded  | 448                                   | -                   |
| Interest paid  | (14)                                  | (88)                |
| Interest received  | 365                                   | 99                  |
| Net cash generated from/(used in) operating activities           | 2,244                                 | (3,683)             |
| <b>Cash flows from investing activities</b>                      |                                       |                     |
| Acquisition of other investments                                 | (15,309)                              | (5,294)             |
| Purchase of property, plant and equipment                        | (502)                                 | (288)               |
| Proceeds from disposal of other investment                       | 5,540                                 | 7,422               |
| Proceeds from disposal of property, plant & equipment            | 8,212                                 | 1,031               |
| Net cash (used in)/generated from investing activities           | (2,059)                               | 2,871               |
| <b>Cash flows from financing activities</b>                      |                                       |                     |
| Short term borrowing repayment                                   | (64)                                  | (2,861)             |
| Net repayment of hire purchase payables                          | (138)                                 | (155)               |
| Net repayment of lease liabilities                               | (50)                                  | (177)               |
| Net cash flows (used in)/generated from financing activities     | (252)                                 | (3,193)             |
| Net decrease in cash and cash equivalents                        | (67)                                  | (4,005)             |
| Effects of changes in exchange rates                             | 311                                   | 333                 |
| Cash and cash equivalents at beginning of the year               | 2,952                                 | 6,624               |
| Cash and cash equivalents at end of the year                     | 3,196                                 | 2,952               |
| Cash and cash equivalents at end of the year consist of :        |                                       |                     |
| Cash and bank balances   | 2,843                                 | 2,952               |
| Cash and bank balances included in disposal group held for sales | 353                                   | -                   |
|  | 3,196                                 | 2,952               |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 May 2023.) (The notes set out on pages 5 to 13 form an integral part of, and, should be read in conjunction with, this interim financial report.)

**AND ITS SUBSIDIARIES**

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

**PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in compliance with MFRS 134, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements of Bursa Malaysia Securities.

This interim financial report should be read in conjunction with the Group's annual audited financial statements for the year ended 31 May 2023. These explanation notes attached to the interim financial report provides an explanation of events and transactions that are significant for an understanding of the financial position and performance of the Group since the financial year ended 31 May 2023.

**(A) Adoption of Amendments/Improvements to MFRS**

**Effective for annual periods 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

Initial application for the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

**(B) Standards Issued But Not Yet Effective**

The Group and the Company have not applied the following standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group and for the Company:

**Effective for annual periods 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 Financial Arrangements

**Effective for annual periods beginning on or after 1 January 2025**

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

**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 standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

**AND ITS SUBSIDIARIES**

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

**PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING**

**A2. Qualification of Financial Statements**

The auditors' report of the preceding annual financial statements was not qualified.

**A3. Seasonal or Cyclical Factors**

The principal business of the Group was not significantly affected by any seasonal or cyclical factors in the current quarter.

**A4. Exceptional and Extraordinary Items**

There were no material items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

**A5. Changes in Estimates**

There were no major changes in estimates from those of the prior financial year which have a material effect in the current financial year ended 31 May 2024.

**A6. Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share-buy-backs, share-cancellations, shares held as treasury shares and resale of treasury shares during the current financial year ended 31 May 2024.

**A7. Dividends Paid**

No dividends were paid during the current financial year ended 31 May 2024.

**AND ITS SUBSIDIARIES****EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024****PART A: REQUIREMENTS OF MFRS 134 INTERIM FINANCIAL REPORTING****A8. Segmental Information**

The Group is principally engaged in the manufacturing and trading of furniture and wood-based products and trading of used cars.

**Information about business segment****31 May 2024**

|                                | <b>Manufacturing<br/>of furniture<br/>and wood-<br/>based products<br/>RM'000</b> | <b>Trading of used<br/>cars<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|--------------------------------|---|--|--------------------------------|
| <b>Revenue</b>                 |   |  |                                |
| Total revenue                  | 31,127  | 1,666                                      | 32,793                         |
| Inter-segment revenue          | (9,562)   | -  | (9,562)                        |
| Revenue from external customer | 21,565  | 1,666                                      | 23,231                         |
| <b>Result</b>                  |   |  |                                |
| Profit before tax              | 1,847   | 34   | 1,881                          |

**A9. Material Events Subsequent to the Balance Sheet Date**

On 24 May 2024, the Board announced that the Company received a notice of unconditional mandatory take-over from Malacca Securities Sdn Bhd, on behalf of Dato' Sri Tan Han Chuan ("Dato' Sri Tan"), to acquire all the remaining Company's Shares not already owned by Dato' Sri Tan and the persons acting in concert with him ("Offer Share(s)") at a cash consideration of RM1.70 per Offer Share. The mandatory take-over was completed on 5 July 2024.

Save for the above, there were no material events subsequent to the balance sheet up to the date of this report.

**A10. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial year ended 31 May 2024.

**A11. Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets as at the date of this report.

**A12. Capital Commitment**

There was no capital commitment as at date of this announcement.

**AND ITS SUBSIDIARIES****EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024****PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE REVISED MAIN  
MARKET LISTING REQUIREMENT****B1. Review of Performance**Current Quarter

The Group recorded revenue of RM4.95 million for the current financial quarter ended 31 May 2024 compared to the revenue of RM7.65 million in the preceding year corresponding financial quarter ended 31 May 2023. The Group registered a profit before tax of RM0.15 million compared to a loss before tax of RM2.28 million in the preceding year corresponding financial quarter ended 31 May 2023 as a result of lower expenses.

Financial year-to-date

The Group recorded revenue of RM23.23 million for the current financial year ended 31 May 2024 compared to the revenue of RM37.65 million in the preceding financial year. The Group registered a profit before tax of RM1.88 million compared to a loss before tax of RM6.09 million in the preceding financial year. The recorded profit before tax was due to the gain on disposal of properties during the financial year.

**B2. Comparison with Preceding Quarter's Results**

|   | <b>Current Quarter<br/>31-May-2024<br/>RM'000</b> | <b>Immediate<br/>Preceding Quarter<br/>29-Feb-2024<br/>RM'000</b> | <b>Changes<br/>Amount<br/>RM'000</b> |
|---|---|---|--------------------------------------|
| Revenue   | 4,946   | 5,323   | (377)                                |
| Profit/(Loss) before tax                          | 147   | (779)   | 926                                  |
| Basic earnings/(loss) per ordinary share<br>(sen) | 0.00  | (1.81)  | 1.81                                 |

The Group recorded revenue of RM4.95 million for the current financial quarter ended 31 May 2024 compared to the revenue of RM5.32 million in the immediate preceding quarter ended 29 February 2024. The Group registered a profit before tax of RM0.15 million compared to a loss before tax of RM0.78 million in the immediate preceding quarter. The recorded profit before tax was due to lower expenses recorded in the reporting quarter.

**B3. Current Year Prospects**

The global market remains uncertain with the on-going 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.

**B4. Profit Forecast**

Not applicable as the Company did not provide any profit forecast.



**AND ITS SUBSIDIARIES****EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024****PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE REVISED MAIN  
MARKET LISTING REQUIREMENT****B5. Tax Expense**

|                               | Individual Quarter                       |  | Cumulative Quarter                        |   |
|-------------------------------|--|--|---|---|
|                               | 3 months<br>Ended<br>31-May-24<br>RM'000 | 3 months<br>Ended<br>31-May-23<br>RM'000 | 12 months<br>Ended<br>31-May-24<br>RM'000 | 12 months<br>Ended<br>31-May-23<br>RM'000 |
| Current tax expense           |  |  |   |   |
| Malaysia – current            | (7)                                      | 55                                       | 10  | 64  |
| – prior year                  | (13)                                     | -  | -   | -   |
| – real property gain tax      | 149                                      | -  | 665                                       | -   |
| Deferred tax expense/(credit) |  |  |   |   |
| Malaysia - current            | 16                                       | (110)                                    | 25  | (6)                                       |
|                               | <u>145</u>                               | <u>(55)</u>                              | <u>700</u>                                | <u>58</u>                                 |

**B6. Status of Corporate Proposal Announced****(i) Proposed disposal of a subsidiary and properties to related parties**

On 24 August 2023, the Company has entered into a conditional share sale agreement (“SSA”) with Mr. Guan Kok Beng, Mr. Guan Shaw Yin and Mr. Guan Shaw Kee, the Directors of the Company, for the proposed disposal of 2,600,000 ordinary shares and 15,000,000 non-cumulative 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.

On the same date, Eurospan Furniture Sdn. Bhd. (“EFSB”), a wholly owned subsidiary of the Company, has also entered into a conditional sale and purchase agreement (“SPA”) with DFSB for the proposed disposal of EFSB’s properties of 2 parcels of freehold lands 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 (“TA”) 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 of RM87,671 upon completion of the proposed disposal of EFSB Properties.

The above proposals have obtained the approval of the non-interested shareholders of the Company at the extraordinary general meeting held on 8 December 2023. Subsequently, to facilitate the completion of the transactions, EFSB and DFSB have mutually agreed to further extend the conditional period of SSA and SPA from 23 February 2024 to 24 June 2024 and 24 July 2024 respectively.

**AND ITS SUBSIDIARIES****EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024****PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE REVISED MAIN  
MARKET LISTING REQUIREMENT****B6. Status of Corporate Proposal Announced (Cont'd)****(i) Proposed disposal of a subsidiary and properties to related parties (Cont'd)**

The SSA has turned unconditional on 5 June 2024 following the fulfillment of the conditions precedent of the SSA and was completed on 2 July 2024. On the same day, all the conditions precedent as stipulated in the SPA have been fulfilled and the SPA has become unconditional on 2 July 2024.

Save for the above, there were no other corporate proposals announced but not completed as at the date of this report.

**B7. Utilisation of Proceeds****(i) Proposed disposal of a subsidiary and properties to related parties**

The proposed utilization of the proceeds from the proposed disposal of a subsidiary and properties to related parties amounting to RM54.55 million is as follows:

| <b>Description</b>  | <b>Proposed<br/>Utilisation<br/>RM'000</b> | <b>Actual<br/>Utilisation<br/>RM'000</b> | <b>Balance<br/>Unutilised<br/>RM'000</b> | <b>Estimated timeframe for<br/>utilised</b>           |
|---|--|--|--|---|
| Distribution of special dividend to shareholders            | 8,884                                      | -  | 8,884 <sup>(1)</sup>                     | Within 1 month from completion of the SSA             |
| Payment for amount owing to DFSB                            | 4,279                                      | 1,290                                    | 2,989 <sup>(2)</sup>                     | 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                                     | -  | 24,737                                   | Within 24 months from completion of the SSA, SPA & TA |
| Estimated expenses for the Proposals                        | 1,650                                      | 1,350                                    | 300                                      | Immediately   |
|   | <b>54,550</b>                              | <b>2,640</b>                             | <b>51,910</b>                            |   |

**AND ITS SUBSIDIARIES****EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024****PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE REVISED MAIN  
MARKET LISTING REQUIREMENT****B7. Utilisation of Proceeds (Cont'd)****(i) Proposed disposal of a subsidiary and properties to related parties (Cont'd)**

Notes:

- (1) On 10 July 2024, the Board declared a Special Dividend of RM0.20 per share amounting to RM8,884,340.00 for the financial year ending 31 May 2025. The Special Dividend will be payable on 5 August 2024 to depositors registered in the Record of Depositors on 25 July 2024.
- (2) As set out in the Circular to Shareholders dated 20 November 2023, any variation to the amount payable by EFSB to DFSB at completion of the 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.

**B8. Group Borrowings and Debt Securities**

The Group borrowings and debt securities were as follows:

|                                    | <b>31-May-24</b> | <b>31-May-23</b> |
|------------------------------------|------------------|------------------|
|                                    | <b>RM'000</b>    | <b>RM'000</b>    |
| Short term borrowings – unsecured  |                  |                  |
| Hire Purchase Payables             | 337              | 138              |
| Foreign currency invoice financing | -                | 64               |
|                                    | <u>337</u>       | <u>202</u>       |
| Long term borrowings – unsecured   |                  |                  |
| Hire Purchase Payables             | -                | 337              |
|                                    | <u>-</u>         | <u>337</u>       |

Hire purchase payables are denominated in Ringgit Malaysia (RM).

**B9. Derivative Financial Liabilities**

There were no outstanding derivative financial instruments as at 31 May 2024.

**AND ITS SUBSIDIARIES****EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024****PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE REVISED MAIN  
MARKET LISTING REQUIREMENT****B10. Changes in Material Litigation**

There were no material litigations pending as at the date of this report.

**B11. Dividends**

On 10 July 2024, the Board declared a Special Dividend of RM0.20 per share amounting to RM8,884,340.00 for the financial year ending 31 May 2025. The Special Dividend will be payable on 5 August 2024 to depositors registered in the Record of Depositors on 25 July 2024.

Save for the above, the Board does not recommend the payment of any dividend for the current financial year ended 31 May 2024.

**B12. Earnings Per Share**

Basic earnings per share amounts are calculated by dividing profit for the period/year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period/year.

|   | <b>Individual Quarter</b>                          |  | <b>Cumulative Quarter</b>                           |   |
|---|--|--|---|---|
|   | <b>3 months<br/>Ended<br/>31-May-24<br/>RM'000</b> | <b>3 months<br/>Ended<br/>31-May-23<br/>RM'000</b> | <b>12 months<br/>Ended<br/>31-May-24<br/>RM'000</b> | <b>12 months<br/>Ended<br/>31-May-23<br/>RM'000</b> |
| Earnings/(Loss) attributable to owners of the parents     | <u>2</u>   | <u>(2,228)</u>                                     | <u>1,181</u>  | <u>(6,144)</u>                                      |
| Weighted average number of ordinary share in issue ('000) | <u>44,421</u>                                      | <u>44,421</u>                                      | <u>44,421</u>                                       | <u>44,421</u>                                       |
| Basic earnings/(loss) per share (sen)                     | <u>-</u>   | <u>(5.02)</u>                                      | <u>2.66</u>   | <u>(13.83)</u>                                      |

**AND ITS SUBSIDIARIES****EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024****PART B: REQUIREMENTS OF PART A OF APPENDIX 9B OF THE REVISED MAIN  
MARKET LISTING REQUIREMENT****B13. Additional Disclosures**

Included in the condensed consolidated statement of comprehensive income for the period/year are the followings:

|   | <b>Individual Quarter</b>                          |  | <b>Cumulative Quarter</b>                           |   |
|---|--|--|---|---|
|   | <b>3 months<br/>Ended<br/>31-May-24<br/>RM'000</b> | <b>3 months<br/>Ended<br/>31-May-23<br/>RM'000</b> | <b>12 months<br/>Ended<br/>31-May-24<br/>RM'000</b> | <b>12 months<br/>Ended<br/>31-May-23<br/>RM'000</b> |
| Depreciation – property, plant and equipment      | 38   | 428  | 1,155   | 1,741   |
| Depreciation – right-of-use assets                | -  | 45   | 45  | 181   |
| Fair value (gain)/loss on derivatives             | -  | (176)  | -   | 32  |
| Fair value (gain)/loss on other investment        | (345)  | 67   | (408)   | 44  |
| Net loss/(gain) on foreign exchange – unrealized  | 15   | (139)  | (287)   | (480)   |
| Net loss/(gain) on foreign exchange - realised    | 35   | (62)   | 318   | 191   |
| Interest expense                                  | 3  | 8  | 14  | 88  |
| Interest income                                   | (91)   | (11)   | (365)   | (99)  |
| Impairment loss on property, plant and equipment  | -  | 43   | -   | 43  |
| Gain on disposal of property, plant and equipment | (4)  | (2)  | (6,691)   | (689)   |
| Gain on disposal of Investment                    | -  | (46)   | -   | (46)  |
| Property, plant and equipment written off         | -  | 190  | -   | 253   |
| Inventories written off                           | -  | -  | -   | 1,339   |
| Rental income                                     | (6)  | -  | (6)   | (10)  |

BY ORDER OF THE BOARD

Kong Sown Kaey (MAICSA 7047655)  
Secretary  
Penang  
23 July 2024