CIRCULAR DATED 29 SEPTEMBER 2025

THIS CIRCULAR ("CIRCULAR") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS CIRCULAR OR AS TO ANY ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

This Circular is issued by Duty Free International Limited (the "**Company**", and together with its subsidiaries, the "**Group**"). Unless otherwise stated, capitalised terms appearing on the cover of this Circular have the same meanings as defined herein. The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained, in this Circular.

If you have sold or transferred all your Shares (as defined herein) held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

This Circular has been made available on SGXNet which may be accessed at https://www.sgx.com/securities/company-announcements and the Company's corporate website which may be accessed at https://ir.dfi.com.sg. A printed copy of this Circular will NOT be despatched to Shareholders. However, printed copies of the Notice of EGM, the Proxy Form and the form to request for a physical copy of this Circular ("**Request Form**") will be mailed out to Shareholders by post.

DUTY FREE INTERNATIONAL LIMITED (200102393E)

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No.: 200102393E)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

(1) THE PROPOSED DIVERSIFICATION

(2) THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION AND AS AN INTERESTED PERSON TRANSACTION

Financial Adviser in relation to the Proposed Acquisition

PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration No.: 200207389D)
(Incorporated in the Republic of Singapore)

Independent Financial Adviser in relation to the Proposed Acquisition

ZICO CAPITAL PTE. LTD.

(Company Registration No.: 201613589E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	25 October 2025 at 11:00 a.m.
Date and time of Extraordinary General Meeting	:	28 October 2025 at 11:00 a.m.
Place of Extraordinary General Meeting	:	Meeting Room 311, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

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The following definitions shall apply throughout this Circular unless the context otherwise requires or unless otherwise stated:

"**Audit Committee**"	:	The audit committee of the Company
"**Balance Purchase Consideration**"	:	Has the meaning ascribed to it in Section 3.7(b) of this Circular
"**Board**"	:	The board of Directors of the Company as at the Latest Practicable Date
"**Bursa Securities**"	:	Bursa Malaysia Securities Berhad
"Business Day"	:	A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 29 September 2025
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"**Company**"	:	Duty Free International Limited (Company Registration No.: 200102393E)
"**Completion**"	:	Completion of the Proposed Acquisition
"**Completion Date**"	:	The date falling fifteen (15) Business Days after the fulfilment or waiver of the last of the Conditions Precedent (excluding those Conditions Precedents which are required to be fulfilled up to and including Completion), or such other date as may be agreed in writing between the Parties
"**Conditions Precedent**"	:	Has the meaning ascribed to it in Section 3.7(c) of this Circular
"**CPF**"	:	Central Provident Fund
"**Deposit**"	:	Has the meaning ascribed to it in Section 3.7(b) of this Circular
"**Director(s)**"	:	The director(s) of the Company as at the Latest Practicable Date
"**EGM**" or "**Extraordinary General Meeting**"	:	The extraordinary general meeting of the Company, notice of which is set out on pages N-1 to N-5 of this Circular
"**Enlarged Group**"	:	The enlarged group of companies comprising the Group and the Target Group following Completion
"**EPS**"	:	Earnings per share
"**ESG**"	:	Environmental, social, and governance
"**Existing Business**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**EV**"	:	Has the meaning ascribed to it in Section 2.2.2 of this Circular

"**Financial Adviser**" or "**PPCF**"	:	PrimePartners Corporate Finance Pte. Ltd. (Company Registration No.: 200207389D)
"**Group**"	:	The Company and its subsidiaries
"**Independent Directors**"	:	Has the meaning ascribed to it in Section 9.2 of this Circular
"**IFA**" or "**Independent Financial Adviser**"	:	ZICO Capital Pte. Ltd. (Company Registration No.: 201613589E)
"**IFA Letter**"	:	A copy of the letter dated 29 September 2025 from the IFA as set out in **Appendix B** to this Circular
"**Independent Shareholders**"	:	Shareholders who are considered independent for the purpose of the Proposed Acquisition as an interested person transaction, which, for the avoidance of doubt, excludes the Vendor, Dato' Sri Adam Sani bin Abdullah, Mr Chew Soo Lin and each of their associates
"**Independent Valuer**" or "**NAVI**"	:	Navi Corporate Advisory Pte. Ltd. (Company Registration No.: 202224784E)
"**Independent Valuation Report**"	:	The valuation report in respect of the independent business valuation of 100% of the issued and paid-up share capital of the Target Group prepared by the Independent Valuer, which is a document available for inspection at the registered address of the Company
"**Latest Practicable Date**"	:	15 September 2025, being the latest practicable date prior to the date of this Circular
"**Licensed Financial Institution**"	:	Has the meaning ascribed to it in Section 3.7(b) of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST, as amended or modified from time to time
"**Long-Stop Date**"	:	Means four (4) months from the date of the SSA or such extended date as may be mutually agreed between the Parties in writing
"**New Business**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Notice of Extraordinary General Meeting**" or "**Notice of EGM**"	:	The notice of the EGM as set out on pages N-1 to N-5 of this Circular
"**NTA**"	:	Net tangible assets
"**OEM**"	:	Has the meaning ascribed to it in Section 2.2.1 of this Circular
"**Parties**"	:	The Vendor and the Company collectively, and "**Party**" shall mean any one of them
"**Proposed Acquisition**"	:	The proposed acquisition by the Company of the entire issued and paid-up share capital of the Target, pursuant to the terms and conditions of the SSA

"**Proposed Diversification**"	:	The proposed expansion and diversification of the Group's business, as further detailed in Section 2 of this Circular
"**Proposed Resolutions**"	:	Has the meaning ascribed to it in Section 1.2 of this Circular
"**Proxy Form**"	:	The proxy form sent with the Notice of EGM, as set out on pages P-1 to P-2 of this Circular
"**Purchase Consideration**"	:	Has the meaning ascribed to it in Section 3.7(b) of this Circular
"**Register of Member**"	:	The register of Members of the Company
"**Sale Shares**"	:	37,700,000 ordinary shares in the Target representing 100% of the issued and paid-up share capital of the Target
"**Securities Account**"	:	The securities accounts maintained by a Depositor with the CDP (but does not include a securities sub account maintained with a Depository Agent)
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"**SGX-ST**" or the "**Exchange**"	:	Singapore Exchange Securities Trading Limited
"**Share(s)**"	:	Ordinary share(s) in the capital of the Company
"**Shareholders**"	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "**Shareholder**" shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with the CDP are credited with those Shares
"**SSA**"	:	The share sale and purchase agreement entered between the Parties dated 21 July 2025, as supplemented, modified and/or amended from time to time
"**Substantial Shareholder(s)**"	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
"**Summary Valuation Report**"	:	A summary of the Independent Valuation Report as set out in **Appendix A** to this Circular
"**Target**"	:	United Industries Holdings Sdn. Bhd. (Company Registration No.: 200401028483 (666991-X)), a company incorporated in Malaysia with its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia
"**Target Group**"	:	The Target and its subsidiaries, and "**Target Group Company**" shall be construed accordingly
"**Third-Party Consent and Permit**"	:	All consents, waivers, permits, authorisations, orders, grants, confirmations, notifications, filings and/or registrations necessary for or required in connection with the sale and purchase of the Sale Shares or for the execution or performance of the SSA

"**UDTI**"	:	United Daisheng Technology Industries Sdn. Bhd. (Company Registration No.: 202501014132 (1615546-H))
"**UISB**"	:	United Industries Sdn. Bhd. (Company Registration No.: 197301000298 (13873-U))
"**USISB**"	:	United Sanoh Industries Sdn. Bhd. (Company Registration No.: 197801003870 (40885-M))
"**UVIAT**"	:	UVI Advance Technology Sdn. Bhd. (Company Registration No.: 199601038120 (410473-P))
"**UVISB**"	:	United Vehicles Industries Sdn. Bhd. (Company Registration No.: 198201009826 (89550-D))
"**Valuation Date**"	:	31 May 2025, being the valuation date of the Independent Valuation Report
"**Vendor**"	:	Atlan Holdings Bhd. (Company Registration No.: 198801005893 (173250-W)), a company incorporated in Malaysia, whose registered address is at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia
"**RM**" and "**sen**"	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
"**S$**" and "**cents**"	:	Singapore Dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**%**"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one gender shall, where applicable, include the other genders where applicable. References to persons shall, where appliable, include corporations.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

In this Circular, unless otherwise stated and to the extent applicable, figures in RM have been converted to S$ based on an exchange rate of RM1.00: S$0.3047, which was the exchange rate as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may", and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's and the Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risk factors and uncertainties are discussed in more detail in this Circular, in particular, but not limited to, discussions in Section 2.6 (Risk Factors in relation to the Target Group and the Entry into the New Business) of this Circular.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company and the Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Company and the Group.

Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, after the Latest Practicable Date, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

DUTY FREE INTERNATIONAL LIMITED

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No.: 200102393E)
(Incorporated in the Republic of Singapore)

Directors:		**Registered Office:**
Dato' Sri Adam Sani bin Abdullah	*(Non-Executive Chairman)*	138 Cecil Street
Lee Sze Siang	*(Executive Director)*	#12-01A Cecil Court
Chew Soo Lin	*(Non-Independent Non-Executive Director)*	Singapore 069538
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	*(Lead Independent Director)*	
Quek Meng Teck, Derrick	*(Independent Director)*	
Haslin binti Osman	*(Independent Director)*	

29 September 2025

To: Shareholders of Duty Free International Limited

Dear Shareholders,

(1) PROPOSED DIVERSIFICATION

(2) PROPOSED ACQUISITION AS A MAJOR TRANSACTION AND AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

1.1 Background

On 21 July 2025, the board of directors of Duty Free International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") announced that the Company had entered into a share sale and purchase agreement ("**SSA**") with Atlan Holdings Bhd. (the "**Vendor**") for the sale by the Vendor, and the purchase by the Company, of 37,700,000 ordinary shares (the "**Sale Shares**") representing 100% of the issued and paid-up share capital of United Industries Holdings Sdn. Bhd. ("**Target**") for an aggregate consideration of RM175,000,000 ("**Proposed Acquisition**") subject to the terms and conditions set out in the SSA.

The Proposed Acquisition (i) constitutes an "Interested Person Transaction" and a "Major Transaction" under Chapter 9 and Chapter 10 of the Listing Manual respectively; and (ii) will result in the diversification and expansion of core business by the Company into manufacturing and supply of automotive components parts ("**Proposed Diversification**").

1.2 **EGM**

The Board is proposing to convene the EGM to seek Shareholders' approval for the resolutions set out below.

Resolution(s)	Description
Resolution 1	The Proposed Diversification
Resolution 2	The Proposed Acquisition as a major transaction and as an interested person transaction

(collective, the "**Proposed Resolutions**").

1.3 **Conditionalities of the Proposed Resolutions**

Shareholders should note that the passing of Resolution 1 (in respect of the Proposed Diversification) and Resolution 2 (in respect of the Proposed Acquisition as a major transaction and as an interested person transaction) are conditional upon the passing of one another. This means that if any of the Resolutions 1 or 2 is not approved, none of these Resolutions 1 and 2 will be passed.

1.4 **Purpose of Circular**

The purpose of this Circular is to provide Shareholders with information in relation to the Proposed Diversification and the Proposed Acquisition, to explain the rationale and to seek the approval of Shareholders for the Proposed Resolutions in relation thereto, as set out in the Notice of EGM.

1.5 **Legal Advisers**

Avant Law LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to the Proposed Resolutions and for purposes of this Circular.

Peter Ling & van Geyzel has been appointed as the legal adviser to the Company as to Malaysia law in relation to the Proposed Acquisition.

2. THE PROPOSED DIVERSIFICATION

2.1 **Introduction**

As at the Latest Practicable Date, the Group is principally engaged in the duty-free and duty-paid retailing business in Malaysia and operates retail outlets at key entry and exit points across Peninsular Malaysia, including airport, seaport, downtown areas, border towns, and popular tourist destinations ("**Existing Business**").

While the Group remains committed to the Existing Business so long as its continuity is in the best interest of the Group, the Group has been exploring new business opportunities that either complement the Existing Business or that will offer a stable and sustainable stream of income for the Group which can enhance Shareholders' value since the placement exercises undertaken by the Company in 2016 and 2017. In this regard, the Group has identified the business of manufacturing and supplying automotive parts ("**New Business**") as a potential business activity.

The Board believes that the New Business will enable the Group to diversify its business and broaden its stream of profit and revenue.

The Proposed Acquisition is part of the Group's strategy to expand into the New Business. While the Target Group's business is within the manufacturing industry, it does not fall within the scope of the Existing Business or constitute an existing principal business of the Group. It is envisaged that the Proposed Diversification will change the existing risk profile of the Company. Accordingly, the Company is seeking Shareholders' approval for the Proposed Diversification at the EGM to be convened.

2.2 Information in Relation to the Proposed Diversification

2.2.1 The New Business

Subject to the approval of the Shareholders being obtained at the EGM, the Company intends to diversify the Group's existing business to include the New Business. The New Business involves the manufacturing and supply of automotive component parts for the original equipment manufacturers ("**OEM**") in Malaysia. The Company will be carrying out the New Business through the Target Group following the Completion.

The Target Group has over five (5) decades of experience in producing and supplying automotive components to OEMs in Malaysia. The Target Group's primary products and services include the manufacture and supply of plastic and metal fuel tanks, metal modular parts, screw jacks, tubings, fuel filler pipes, instrument panels, and other automotive and assembly component parts. Please refer to Section 3.4 of this Circular for more information on the Target Group.

The Group may also, as part of the New Business, explore to invest in or purchase or otherwise acquire or dispose of any such assets, investments and shares or interests, in any geographical market it deems suitable, as and when such opportunities arise. Any business activities as aforesaid shall upon approval of the Proposed Diversification by the Shareholders at the EGM, constitute part of the ordinary course of business of the Group.

2.2.2 Future Plans for the New Business

In respect of the New Business, the Group intends to strengthen the New Business by (i) leveraging on the current network of the Target Group's customers to explore collaborations with producers of electric vehicles ("**EV**") and hybrids vehicles; (ii) using the facilities and equipment of the Target Group to increase production to an enlarged pool of customers; and (iii) tapping on the experience of the current management team of the Target Group to expand its capabilities so as to offer new products to producers of EV.

The Target Group is currently engaged in the manufacturing of a wide range of automotive components, including brake tubes, fuel filler tubes, stamping parts, metal and plastic fuel tanks, instrument panels, and other essential parts. As the industry transitions toward electrification, several of these components, such as brake tubes, stamping parts, and instrument panels, remain integral to EVs, ensuring continued relevance of the Target Group's product portfolio.

In addition, the emergence of Plug-in Hybrid Electric Vehicles ("**PHEVs**"), which combine internal combustion engines ("**ICE**") with electric motors, presents a significant opportunity. PHEVs are designed to operate on battery power for short distances and switch to fuel for longer journeys, effectively bridging the gap between traditional ICE vehicles and full EVs. These vehicles continue to require fuel tanks and fuel tubes, aligning well with Target Group's existing products portfolio and manufacturing capabilities.

The pace of vehicle electrification in Malaysia is progressing gradually, driven by evolving consumer preferences, infrastructure development, and government incentives. The Target Group's future plans are aligned with this trajectory, allowing them to adapt and scale operations in tandem with market demand. The gradual pace of this transition allows the Group to strategically position itself within the EV component supply chain as the market evolves. The Group believes that electrification may accelerate over time, particularly with the increasing interest from Chinese automotive OEMs in establishing local assembly plants for ICE, EV, and PHEV models. In response to this trend, the Target Group is actively pursuing new opportunities with these OEMs to position themselves as a strategic supplier of high-quality automotive components. This approach ensures that the Target Group remains agile and responsive to industry shifts, while contributing meaningfully to Malaysia's growing automotive ecosystem.

2.3 **Rationale for the Proposed Diversification**

The Board believes that the Proposed Diversification can contribute positively to the Group and Shareholders as it will provide the following benefits to the Group:

(a) **Additional stable and recurrent revenue streams:** The Target Group operates a stable, income-generating business that is expected to contribute positively to the Group's earnings on a consolidated basis. The Group has taken into consideration the stable revenue of the Target Group and its net profit after tax for FY2023, FY2024 and FY2025 respectively as more particularly set out in Section 3.5 of this Circular. These consistent financial results highlight the resilience of the Target Group's business model and its ability to generate stable, recurrent income and profitability. The nature of the Target Group's operations involves long lead times and strategic collaborations with the majority of the automotive OEMs in Malaysia. The New Business is expected to benefit from the rising disposable income on a nominal basis[1] that has continued to support the growth in the sales of passenger vehicles. According to BMI, a unit of Fitch Solutions, Malaysia is projected to experience sustained growth in consumer spending throughout 2025, with real household expenditure expected to rise by 5.2% year-on-year[2];

(b) **Diversification of business:** The entry into the New Business offers new opportunities to the Group and provides an additional income base for future growth, which enables the Group to reduce its reliance on the duty-free and duty-paid retailing business, which has faced an increasingly challenging environment since the onset of the Covid-19 pandemic. Though there is no direct operational synergy between the New Business and the Existing Business, this strategic move is intended to reduce its dependence on the retail sector, achieve a more balanced and resilient portfolio, and position itself for long-term growth in a dynamic and essential industry;

(c) **Enhancing Shareholders' value:** The Proposed Diversification, through the Proposed Acquisition, is part of the corporate strategy of the Company to provide Shareholders with diversified returns and long-term growth. As outlined in Section 5 of this Circular, the *pro forma* financial effects of the Proposed Acquisition illustrate an immediate and substantial increase in earnings attributable to Shareholders. This accretive impact is expected to strengthen the Group's overall financial position and improve its return on equity;

(d) **Prospects for growth potential in the automotive component parts manufacturing industry:** The Group is optimistic about the long-term growth potential of the automotive component parts manufacturing industry in Malaysia, driven by the steady expansion in domestic demand. In addition, the structural of the Malaysian automotive market, where certain segments are relatively insulated from foreign competition and the gradual pace of vehicle electrification as more particularly set out in Section 2.2 of this Circular, provide a stable and supportive operating environment for manufacturers of traditional automotive components. Given the prospects in relation to the automotive manufacturing industry in the region, the Group believes that, barring any unforeseen circumstances, such industry dynamics are expected to benefit the New Business and are aligned with the Group's strategic intent to diversify into resilient, income-generating sectors to enhance long-term Shareholders' value; and

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1 Source: Department of Statistics Malaysia, https://open.dosm.gov.my/data-catalogue/hh_income?visual=income_mean

2 Source: The Edge Malaysia, BMI sees Malaysia's household spending surging 5.2% in 2025 amid steady inflation, labour market, January 2025, https://theedgemalaysia.com/node/742307

(e) **Flexibility to enter into transactions relating to the New Business in the ordinary course of business:** Upon Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the New Business which will not change the risk profile of the Company and/or the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential opportunities relating to the New Business arise. This will substantially reduce the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

In view of the current opportunity presented by the Proposed Acquisition, the Group intends to extend its core business to include the New Business.

2.4 Requirements under Chapter 10 of the Listing Manual

Rule 1002(1) of the Listing Manual provides that a "transaction" generally refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

Pursuant to Practice Note 10.1 of the Listing Manual, an acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Practice Note 10.1 of the Listing Manual provides further guidelines on what consists of "existing principal business" and "change of risk profile".

As the New Business will involve a new business area which is not part of the Group's existing principal business, it is envisaged that the New Business may change the existing business scope and risk profile of the Company and/or the Group. Accordingly, the Company is convening the EGM to seek Shareholders' approval for the Proposed Diversification, in addition to seeking Shareholders' approval for the Proposed Acquisition as the First Major Transaction (as defined below) involving the New Business.

Upon Shareholders' approval of the Proposed Diversification, any transaction which falls under, or is undertaken in connection with, the New Business, may be deemed to be in the ordinary course of business and therefore will not fall within the definition of a "transaction" under Chapter 10 of the Listing Manual. As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Listing Manual will not apply to transactions in the New Business which are within the Company's existing principal business for so long as it is in the ordinary course of business or of a revenue nature.

Under Rule 1014 of the Listing Manual, a major transaction must be made conditional upon approval by shareholders in a general meeting. In the case where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20% an announcement of the prescribed information pursuant to Rule 1010 of the Listing Manual will also be required.

The Proposed Diversification will thus allow the Group, in its normal course of business, to enter into transactions relating to the New Business in an efficient and timely manner without the need for Shareholders' approval, for so long as it is in the ordinary course of its business or of a revenue nature. As such, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are transactions within the ordinary course of the New Business or are of a revenue nature arise, even when such transactions cross the thresholds of a major transaction. This will substantially reduce the administrative time and expenses incurred in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

In the event that Shareholders' approval for the Proposed Diversification has been obtained in respect of transactions relating to the New Business but the Proposed Acquisition is not approved by Shareholders at the EGM, the Proposed Diversification will not be passed. The Proposed Diversification and Proposed Acquisition are conditional upon the passing of one another, meaning that if either the Proposed Diversification or the Proposed Acquisition is not approved, neither will be passed.

For the avoidance of doubt, notwithstanding that Shareholders' approval for both the Proposed Diversification and the Proposed Acquisition has been obtained:

(a) the Company will make immediate announcement and disclosure pursuant to and in compliance with Rule 704(17) of the Listing Manual for any acquisition of (i) shares resulting in the Company holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings of a quoted company; and (ii) quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets;

(b) Rule 1015 of the Listing Manual will apply to an acquisition of assets (whether or not the acquisition is deemed in the Company's ordinary course of business, which will include the New Business if the Proposed Diversification is approved by Shareholders) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual is 100% or more, or which results in a change in control of the Company. Such transactions must be, amongst others, made conditional upon approval by Shareholders at a general meeting;

(c) Chapter 9 of the Listing Manual will apply to a transaction which constitutes an "interested person transaction" as defined under the Listing Manual, and the Company will comply with the provisions of Chapter 9 of the Listing Manual;

(d) in light of Practice Note 10.1 of the Listing Manual, if a transaction changes the risk profile of the Company such as an expansion of the Group's business to a new jurisdiction that will expose the Company to significant new risks, Shareholders' approval may be sought for such transaction; and

(e) the Company will be required to comply with any applicable and prevailing rules under the Listing Manual as amended or modified from time to time.

In addition, in accordance with the SGX-ST's recommended practice in relation to diversification of business ("**SGX-ST's Recommended Practice**"), if the Group has not operated in the new business space and/or did not provide sufficient information about the new business at the time when it is seeking Shareholders' approval for the diversification mandate, when the Group enters into its first major transaction as defined under Rule 1014 of the Listing Manual (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Listing Manual in respect of several transactions involving the New Business are aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 20% but does not exceed 100%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval at a general meeting.

The Proposed Acquisition is the First Major Transaction involving the New Business and the Company is therefore seeking Shareholders' approval for the Proposed Diversification and the Proposed Acquisition in compliance with the SGX-ST's Recommended Practice.

2.5 **Funding for the New Business**

As disclosed in Section 3.9 of this Circular, the Proposed Acquisition will be funded by way of internal cash resources of the Group including the proceeds from the placement exercises undertaken by the Company in 2016 and 2017.

Moving forward, it is envisaged that the revenue from the New Business will substantially be derived initially from the Target Group, which is largely expected to comprise revenue from the manufacture and supply of automotive component parts in Malaysia. Given that the Target Group's existing products and production capacity are sufficient to meet market demands, even amidst the gradual electrification transition in the industry, the Board is of the opinion that the aforesaid are sufficient to finance the New Business and there is no imminent need to raise additional funds for the New Business.

In addition to the existing resources, the Group may consider funding the New Business through a combination of external resources such as borrowings from financial institutions or fund-raising exercise and internal cash resources of the Enlarged Group. The Directors will determine the optimal mix of internal and external funding, taking into account, among others, the cash flow of the Enlarged Group, the prevailing bank financing costs and the general market conditions.

The Company may also consider in future tapping into the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments, as and when necessary and deemed appropriate, to support the New Business's growth and strategic objectives.

2.6 **Risk Factors in Relation to the Target Group and the Entry into the New Business**

The Group could be affected by a number of risks which relate to the industries and countries in which it intends to operate, as well as generic economic, market and political risks not presently known or currently deemed immaterial.

To the best of the Directors' knowledge and belief, as at the Latest Practicable Date, the risk factors that are material for Shareholders to make an informed decision on the Proposed Diversification are set out in this Section. **Shareholders should carefully consider and evaluate these risk factors and all other information contained in this Circular in light of their own investment objectives and financial circumstances and should seek professional advice from accountant, stockbroker, bank manager, solicitor, or other professional advisers if they have any doubt about the actions they should take.**

Any of the risks described below could materially and adversely affect the Group's ability to comply with its obligations, including those under the Listing Manual, and may have a material adverse effect on the Group's business, financial condition, operations and prospects. In such an event, the market price of the Shares may decline, and Shareholders may lose all or part of their investments in the Shares.

The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face. There may be additional risks not presently known to the Company or are currently not deemed to be material, which could turn out to be material and as such have not been included in the paragraphs below. New risk factors may emerge from time to time, and it is not possible for the management to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed Diversification or the extent to which any factor or combination of factors may affect the Group.

Specific risks relating to the Target Group and the New Business

(a) The Target Group is expected to be reliant on its key customers and major suppliers, and its ability to meet customer demand depends on effective supply chain and inventory management

The Target Group which is in the supply of automotive components industry is expected to depend on a limited number of key customers and major suppliers for a substantial portion of its revenue and raw material requirements respectively. A high degree of customer or supplier concentration may expose the Target Group to operational and financial risks. The loss of any significant customer, whether due to changes in procurement policies, termination of contracts, or deterioration in commercial relationships, may have a material adverse effect on the Target Group's revenue and profitability.

Similarly, any disruption in the supply of raw materials, components, or services from major suppliers, whether caused by pricing volatility, quality concerns, logistical issues, or financial distress, may adversely affect the Target Group's production timelines, cost structures, and ability to meet customer expectations. The automotive components industry also imposes strict quality, certification, and traceability requirements, which may limit the Target Group's ability to replace suppliers or win new customers quickly.

In addition, the Target Group's financial performance is highly dependent on prevailing market demand which may be affected by changes in customer preferences, global macroeconomic conditions, cyclical downturns in the automotive sector, technological shifts, and increased competition. In order to support sales and fulfil delivery obligations, the Target Group must maintain optimal inventory levels and manage its supply chain and logistics efficiently. Inaccurate demand forecasting, misaligned production planning, or procurement and shipping delays may result in inventory shortfalls or excesses, leading to lost sales opportunities, increased working capital requirements, reduced operational efficiency, and potential harm to customer relationships.

While the Target Group intends to diversify its customer and supplier base over time, strengthen supply chain resilience, and enhance its demand planning capabilities over time, there is no assurance that these efforts will be successful, timely, or sufficient to mitigate the risks. Any failure to maintain strong customer and supplier relationships, align production with market demand, or respond effectively to supply chain disruptions may have a material adverse effect on the Target Group's business operations, cash flow, financial condition, and long-term prospects.

(b) The Target Group is reliant on manpower, including foreign labour

As at the Latest Practicable Date, the Target Group employed a total of 853 employees, comprising 413 foreign workers and 440 local employees. In this regard, the Target Group's operations are dependent on the continued availability of both local and foreign labour. As such, any changes to the labour, immigration, or employment policies in the jurisdictions in which the Target Group operates, or in the countries of origin of the foreign workers, may affect the availability, recruitment, and/or cost of foreign labour. For example, changes in the issuance or renewal of work permits, the imposition of stricter quotas or levies on foreign workers, or enhanced regulatory compliance obligations may constrain the Target Group's access to foreign labour and increase the cost of maintaining its workforce. In the event of any restrictions on the supply of foreign labour arise, the Target Group may be required to seek alternative sources of labour, which may be more costly, less experienced and/or qualified. This could lead to operational disruptions, delays in the execution or completion of projects, reduced productivity, and increased payroll, subcontracting costs, or training costs.

In addition, heightened regulatory scrutiny or compliance requirements relating to the employment, accommodation, and welfare of foreign workers may give rise to additional operational and administrative burdens.

Any of the foregoing factors may have a material adverse effect on the Target Group's business, financial condition, results of operations, and prospects.

The Target Group is currently adopting automation to improve operational efficiency and reduce dependency on manual labour. This process of automation will continue to expand as part of the Target Group's ongoing efforts to enhance productivity and manage labour costs. However, the inherent nature of the operations still relies on a significant degree of manpower, particularly in areas where automation cannot fully replace human intervention. To mitigate these risks, the Target Group will actively implement several strategies including (i) continued automation and technology integration to enhance operational efficiency, reduce labour costs, and better manage workforce shortages or disruptions; (ii) strategic redistribution of its existing workforce across different business units or projects within the Enlarged Group and shifting labour resources where demand is highest; (iii) the professional development of its employees through continuous training and upskilling programs; and (iv) review of its recruitment strategies to ensure flexibility in workforce management.

While these measures aim to minimize the impact of potential labour disruptions, significant policy changes may still affect operations. These strategies will be regularly reviewed and adapted to ensure the Target Group remains resilient against changing labour dynamics. In the event that such adoptions and/or strategies are not implemented successfully and/or resulted in disruptions of the New Business, it may have a material adverse effect on the Enlarged Group's business, financial performance and prospects.

(c) The Target Group may be adversely affected by accidents, non-compliance with workplace safety and health regulations, and/or breaches of environmental regulatory requirements at its workplaces

As the Target Group's operations involve the use of high-risk machinery and equipment at its workplaces, the Target Group has implemented all material standard operating procedures necessary to ensure compliance with workplace safety, health, and environmental regulations at its workplaces. However, there is an inherent risk of accidents or mishaps occurring in the workplace and such incidents may arise from equipment malfunction, human error, inadequate safety protocols, or other unforeseen circumstances in the course of operations.

In the event of such unfortunate accidents or mishaps, the Target Group may be exposed to a range of consequences, including but not limited to:

(i) Personal injury or fatality claims from employees, which may give rise to substantial compensation liabilities, particularly in circumstances where such risks are not fully covered under the Target Group's insurance policies;

(ii) Operational disruptions, which may delay the delivery or completion of projects and expose the Target Group to liquidated damages or other contractual penalties under customer agreements;

(iii) Regulatory sanctions, including fines and penalties, resulting from non-compliance with applicable workplace safety and health laws and regulations in Malaysia; and

(iv) Damage or loss to property, including essential infrastructure, machinery, and equipment, potentially requiring significant repair or replacement costs.

There can be no assurance that workplace accidents or mishaps will not occur despite the implementation of safety protocols. Any such incidents may have a material adverse effect on the Target Group's business operations, financial condition, prospects, and results of operations.

(d) ***The Target Group's financial performance may be adversely affected in the event of disputes with its customers***

The financial performance and operations of the Target Group may be materially and adversely affected in the event of disputes with its customers. Such disputes may arise in the ordinary course of business and may relate to, among other things:

(i) Divergent interpretations of contractual provisions, including specifications, timelines, and scope of work;

(ii) Differences in the assessment of acceptable quality standards, whether in relation to workmanship, materials used, or overall project delivery;

(iii) Disagreements over the valuation of work performed, including variation orders or adjustments to the contract sum; and

(iv) Allegations of delay, defects, or breach of contractual obligations by either party.

Any such disputes may result in suspension of work, termination of contracts, legal proceedings, or the imposition of penalties or damages. These outcomes may, in turn, lead to increased costs, project delays, reputational harm, and disruption of the Target Group's business operations.

As at the Latest Practicable Date, the Target Group has not experienced any material disputes with its customers. In instances where differences have arisen, such matters have historically been resolved through amicable discussions and negotiations. Notwithstanding this, there can be no assurance that disputes will not arise in the future, or that, if they do arise, they will be resolved in a manner that does not have a material adverse effect on the Target Group's business, financial condition, results of operation and prospects.

(e) ***The operations and the reputation of the Target Group may be materially affected by legal proceedings***

The Target Group may, from time to time, be involved in legal, regulatory, or arbitration proceedings arising from the ordinary course of its business. These may include disputes with customers, suppliers, contractors, employees, or regulatory authorities. While the Target Group endeavours to comply with applicable laws and contractual obligations, there can be no assurance that it will not be subject to claims, investigations, or enforcement actions in the future.

In the past, there have been no legal proceedings that have had a material adverse effect on the financial position, operations, or reputation of the Target Group. Nonetheless, any such legal proceedings, whether actual or threatened, may result in significant legal costs, diversion of management time and resources, and reputational harm. In the event of an adverse outcome, the Target Group may be required to pay damages, penalties, or other remedies, or be subjected to injunctions, regulatory sanctions, or other restrictions. Such outcomes could have a material adverse effect on the Target Group's operations, financial condition, prospects, and reputation.

(f) ***The Target Group's performance may be affected by its ability to attract and retain high quality personnel***

The continued success and future performance of the Target Group are highly dependent on its ability to attract, train, retain, and motivate qualified and experienced personnel. This includes individuals within senior management as well as those possessing critical technical and operational expertise, particularly in areas such as product design, process engineering, compliance with automotive industry standards, and quality control systems.

In a competitive labour market, the availability of suitably skilled professionals may be limited. The loss of key employees, including engineers, technical staffs, and individuals with in-depth knowledge of the Target Group's operations, customers, and strategic plans, could disrupt business continuity and adversely affect decision-making processes. If the Target Group is unable to retain such personnel or replace them in a timely manner with individuals of comparable experience and capability, its ability to execute business strategies and manage ongoing operations may be impaired.

Challenges in recruitment and retention may arise due to market competition, wage pressures, limited local talent pools, or changes in employee expectations and workforce dynamics. The competitive nature of the industry further poses a risk of attrition or poaching of key employees by other market participants.

Failure to effectively manage human capital risks may result in increased recruitment and training costs, reduced productivity, project delays, or loss of competitive advantage. These factors, whether individually or collectively, may have a material adverse effect on the Target Group's business, financial condition, results of operations, and prospects.

(g) Risk of delays in product delivery

The timely delivery of products by the Target Group is critical to maintaining customer satisfaction and fulfilling contractual obligations. However, the manufacturing process is subject to various external and internal factors that may lead to unforeseen delays. These include, but are not limited to:

(i) Delays in the procurement of raw materials or components, whether due to supply chain disruptions, geopolitical risks, transportation issues, or shortages of key inputs;

(ii) The performance and reliability of third-party suppliers and outsourced contractors, which may vary and are often beyond the direct control of the Target Group; and

(iii) Operational inefficiencies or unexpected events at the Target Group's manufacturing facilities, such as machinery breakdowns, labour shortages, or quality control issues.

There can be no assurance that such factors will not result in delays in the manufacturing schedule or the delivery of products to customers. Any such delay may lead to the imposition of liquidated damages or other penalties under customer contracts, particularly where delivery timelines are contractually fixed. Additionally, delays may damage customer relationships, result in the loss of future business, and adversely affect the Target Group's reputation in the industry.

As of the Latest Practicable Date, the Target Group has not experienced any major material delays in product delivery. The Target Group's historical performance has demonstrated its ability to meet delivery schedules, with no material delays occurring in the past, reinforcing the effectiveness of its processes. This reflects the effectiveness of its operational planning, supplier coordination, and production management systems. The Target Group has an extensive track record of timely product delivery and a well-established set of standard operating procedures to ensure consistent performance, including comprehensive standard operating procedures which are in place across all stages of the manufacturing process, from procurement and production to quality control and logistics. These standard operating procedures, which are continuously reviewed and refined, provide a structured approach to production and logistics, helping to minimize delays.

Notwithstanding the above, while external and internal factors may occasionally pose challenges, the Target Group has implemented a series of proactive measures to mitigate the risk of delays in its manufacturing and delivery processes, including but not limited to (i) maintaining open and transparent communication with its customers, particularly regarding delivery schedules and production timelines; (ii) strengthening its supply chain management systems to enhance visibility and responsiveness; (iii) maintaining strategic inventories of key materials and components to buffer against supply chain disruptions; and (iv) continued investment in automation and technology to improve production efficiency and reduce reliance on manual processes.

By implementing these strategies, the Target Group aims to reduce the risk of delays in product delivery and minimize the associated impact on its operations, reputation, and customer relationships. The Target Group remains committed to monitoring these risks and adapting its strategies as necessary to ensure the timely and reliable delivery of products to its customers.

Notwithstanding the above, any material delay in product delivery due to any unforeseen circumstances may have a significant adverse effect on the Target Group's business, financial condition, results of operations, and prospects.

(h) Risks relating to the automotive industry's transition to EV

The global automotive industry is undergoing a significant transformation driven by the shift towards EV, spurred by technological advancements, evolving consumer preferences, stricter environmental regulations, and governmental incentives. This transition may have a material impact on the Target Group's business, particularly if its existing products and manufacturing processes are primarily tailored to internal combustion engine vehicles.

There can be no assurance that the Target Group will be able to adapt in a timely and cost-effective manner to changes in demand arising from the increasing adoption of EV. If the Target Group's current product offerings are not compatible with EV platforms or if it is unable to develop, produce, or supply components required for EV, customer relationships, and competitiveness may be adversely affected.

Additionally, the development of EV-compatible products may require substantial capital investment, technological innovation, and reconfiguration of production processes. There may also be increased competition from existing and new entrants that are more specialised or technologically advanced in the EV supply chain.

Failure to anticipate and respond effectively to the evolving automotive landscape could have a material adverse effect on the Target Group's business, financial condition, prospects, and results of operations.

(i) The Target Group may incur costs and liabilities as a result of product liability claims

The automotive industry is subject to stringent standards in relation to safety, performance, and reliability. Accordingly, the Target Group may be exposed to product liability risks arising from various sources, including defective components, design flaws, manufacturing defects, or inadequate quality control. In addition, liability may arise from any loss or damage suffered by third parties due to defects in the products supplied by the Target Group, particularly where such defects result from negligence. The Target Group may also incur liability in the event of non-compliance with customers' specifications or contractual requirements.

In certain cases, the Target Group may be required to conduct product recalls, whether in response to regulatory directives or allegations that its products are unsafe or non-compliant. Defending product liability claims can be costly, time-consuming, and disruptive to the Group's operations, irrespective of the eventual outcome. Even where such claims are successfully defended, the mere existence of such proceedings may damage customer confidence and adversely affect the Target Group's brand equity and reputation in the market.

As at the Latest Practicable Date, the Target Group maintains a public liability insurance policy that includes coverage for product liability claims arising from the New Business.

Historically, the Target Group has not faced any product liability claims or been subject to any product recalls. However, there can be no assurance that such coverage will be sufficient in all circumstances, or that the Target Group will be able to procure additional or replacement insurance on commercially acceptable terms, or at all. In the event that a successful claim exceeds the scope or limits of the existing insurance coverage, the Target Group may be required to bear substantial liabilities, which could have a material adverse effect on its financial position, operational performance, and future prospects.

General risks relating to the entry into New Business and Proposed Diversification

(a) The Enlarged Group's performance in the New Business will be subject to exposure to macroeconomic and external risks

The Enlarged Group's performance in New Business can be affected by a range of macroeconomic and external factors, many of which are beyond its control. These include:

(i) economic and political instability, both domestic and global;

(ii) level and volatility of liquidity and risk aversion;

(iii) concerns about natural disasters, pandemics, industrial accidents, civil unrest, or geopolitical conflicts;

(iv) volatility in equity, debt, property, commodity and other financial markets;

(v) concerns over inflation;

(vi) changes in investor and consumer confidence; and

(vii) global trade tensions and the imposition of tariffs or other protectionist measures.

The Enlarged Group intends to pursue the New Business primarily through the Target Group. Accordingly, its success will be significantly dependent on the performance, stability, and resilience of the Target Group's operations. The automotive components industry in which the Target Group operates is inherently cyclical and closely tied to prevailing global and domestic macroeconomic conditions. A slowdown in the broader automotive sector, whether due to weakening demand, supply chain disruptions, geopolitical tensions, or rising input costs, may adversely impact order volumes, pricing, and profitability.

During periods of economic uncertainty, demand from OEMs may decline or become more price-sensitive, increasing competitive pressure and compressing margins. The Enlarged Group may also be exposed to challenges in its key procurement and export markets, including changes in trade policies, the imposition of tariffs, non-tariff barriers, customs duties, foreign exchange volatility, rising transportation and logistics costs, and reduced access to trade credit or financing facilities. As the Enlarged Group expands its business footprint through the Target Group, it may become increasingly vulnerable to such external shocks and market fluctuations.

Changes in investor and consumer confidence may also materially affect the Enlarged Group's business performance. In times of economic or political uncertainty, consumers may reduce discretionary spending or delay purchases, leading to reduced demand for automotive products and components. This in turn may result in lower order volumes or more competitive pricing pressure on the Enlarged Group.

Likewise, declining investor confidence, whether due to market volatility, tightening monetary policy, or deteriorating macroeconomic indicators, may reduce the availability of capital or increase the cost of financing. This could constrain the Enlarged Group's ability to raise funds for its New Business initiatives, expand production capacity, or invest in innovation and technology.

In recent years, heightened trade and political tensions particularly between the United States and China have created uncertainty in global markets. The imposition of tariffs, restrictions on cross-border investments, export controls, and other protectionist measures has affected international trade flows and contributed to market volatility. These developments may continue or worsen, potentially impacting diplomatic and economic relations among major economies, which in turn may dampen global growth and disrupt supply chains.

Moreover, the Enlarged Group's operations may be disrupted by force majeure events such as natural disasters, civil unrest, pandemics, geopolitical conflicts, or industrial accidents. These events may result in plant closures, supply chain disruptions, workforce shortages, or regulatory delays, all of which could materially affect the Enlarged Group's production timelines, fulfilment of customer obligations, and cost structure. The extent to which insurance coverage is available for such events may be limited, and there can be no assurance that any such coverage would be sufficient to offset losses.

The Enlarged Group principally operates in Malaysia which is particularly susceptible to external shocks due to its open and trade-dependent economy. Any significant downturn in global economic activity may negatively affect Malaysia's export volumes, investment inflows, employment rates, and consumer purchasing power and such factors may, in turn, dampen demand for the Enlarged Group's products and services.

There is no assurance that the Enlarged Group will be able to fully mitigate the effects of these macroeconomic, sectoral, and external risks. Any sustained or severe deterioration in the economic or geopolitical environment may have a material adverse effect on the Enlarged Group's business operations, financial condition, liquidity, and future growth prospects.

(b) Risks relating to the Group's entry into the New Business without prior operating experience

While the Group may not have any prior operating history or track record in New Business, Dato' Sri Adam Sani bin Abdullah, our Non-Executive Chairman and Lee Sze Siang, our Executive Director, have each served as directors of the Target for more than 15 years and are currently engaged in operating the New Business. Both Directors have been actively involved in overseeing the development, operations, and strategic direction of the New Business, and they have valuable industry knowledge and operational experience in the automotive components sector. Their direct involvement is expected to contribute positively to the Group's understanding of the New Business and will help to facilitate a smoother integration and execution of the Group's strategic objectives in this sector.

Notwithstanding the above, the Group may still face operational, managerial, and technical challenges, especially in pursuing the growth of the New Business. These may include the need to manage complex manufacturing processes, implement robust quality assurance measures, integrate supply chains effectively, and ensure compliance with applicable regulatory frameworks. Any lack of internal capabilities in these areas may impair the Group's ability to compete effectively, scale the business efficiently, or deliver sustainable returns. The New Business may also require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

While the Directors' experience offers operational insight and leadership continuity, the Group's limited track record in this sector may nonetheless affect its ability to execute business strategies effectively, attract and retain skilled personnel, manage supply chains effectively or achieve anticipated performance targets within projected timelines. The success of the Proposed Diversification will depend on the Group's ability to recruit and retain suitably qualified personnel, and to establish appropriate governance and operational structures for the New Business. Despite the involvement of experienced directors, potential partners, customers, and suppliers may remain cautious due to the Group's limited track record in the New Business, which could affect its ability to secure contracts or favourable commercial terms.

Although the Group's entry into the New Business is based on its assessment of current market outlook and general economic situation, there is no assurance that such plans will succeed or deliver the expected results. Any inability to adapt to sector-specific requirements or deliver operational excellence could materially and adversely affect the Enlarged Group's financial condition, business operations, and overall shareholder value.

(c) The Enlarged Group may face intense competition from existing competitors and new market entrants

The New Business is highly competitive, with strong competition from established industry participants who may have larger financial resources, command greater market share and/or longer operating histories and stronger track records. As a result, the Enlarged Group may face intense competition from established players, including multinational corporations with greater financial, operational and technological resources.

In particular, the automotive components industry is characterized by rapid innovation, price sensitivity, evolving customer requirements, and stringent quality and safety standards. The Enlarged Group's ability to compete effectively in relation to the New Business will depend on its capacity to anticipate and respond to market trends, maintain cost efficiency, and differentiate its product offerings. Any failure in these areas could lead to loss of market share, margin compression, or a decline in profitability.

Customer relationships in the automotive components industry often involve procurement cycles, qualification requirements, and high switching costs. The Enlarged Group may face challenges in securing and retaining key customers for the New Business, particularly if incumbents have long-term supply arrangements or proven performance histories. In addition, the Enlarged Group may encounter difficulties in expanding sales to existing customers or attracting new ones due to capacity limitations, pricing competition, or a lack of compelling product differentiation or integrated solutions.

Efforts to penetrate new customer segments may also be hindered by entrenched competitors, procurement barriers, or economic headwinds such as recessionary conditions or subdued industry demand.

There is no assurance that the Enlarged Group will achieve the intended strategic benefits of the New Business or develop a sustainable competitive advantage. Any failure to grow its customer base or to deepen engagement with existing customers may limit revenue growth and adversely affect the Enlarged Group's commercial viability, financial performance, business operations, and future growth aspects.

(d) The Enlarged Group may be subject to inherent risks in the automotive and manufacturing industries

The Enlarged Group, through the Target Group operates in the automotive components manufacturing industry and is therefore exposed to various sector-specific risks. These include macroeconomic volatility, downturns in the global or domestic economy, the entry of new competitors into the automotive sub-sector, the relocation or closure of manufacturing operations by multinational automotive corporations, and the emergence of new technologies, methodologies or products that may place the Enlarged Group at a competitive disadvantage.

In addition, as a manufacturing concern, the Enlarged Group may face operational challenges such as rising labour and raw material costs, supply chain and logistics disruptions, quality control issues, and reliance on timely delivery from suppliers. The Enlarged Group's ability to ensure production efficiency depends on stable supply chains, skilled labour availability, and robust operational processes. Any disruption in these areas may result in delayed product delivery, contractual penalties or adverse impacts on customer satisfaction and profitability.

While the Enlarged Group seeks to mitigate such risks through prudent operational strategies, including supplier diversification, inventory buffering, and the implementation of quality assurance systems, there can be no assurance that such measures will be sufficient to prevent material adverse effects on the Enlarged Group's operations, financial condition or prospects.

(e) The Enlarged Group is subject to various government regulations in the New Business

The Enlarged Group's operations in the New Business are subject to various governmental laws, regulations and policies, including but not limited to environmental regulations, occupational safety standards, manufacturing and industrial licensing requirements, and other industry-specific approvals mandated by relevant Malaysia authorities or relevant authorities in jurisdictions that the Enlarged Group may be operating.

In connection with the Proposed Diversification, the Enlarged Group will be required to obtain and maintain a range of licenses, permits and regulatory clearances necessary to operate within the automotive components industry. As at the Latest Practicable Date, the Target Group has obtained all relevant licenses, permits, and regulatory clearances necessary for the operation of its current business. In the event that the Target Group seeks to diversify to include the manufacturing of new products, which may require prior approval, it will be required to apply for the relevant manufacturing licenses from the relevant authorities. In the event of (i) non-granting, non-renewal, suspension, or revocation of any such licenses or permits, whether due to administrative delays, non-compliance, or changes in regulatory policies; or (ii) delays and/or rejection of any new applications for licenses or permits, such circumstances may result in operational disruptions, imposition of fines or penalties, and adverse effects on the Enlarged Group's financial performance and condition.

Additionally, regulatory regimes are subject to change, and the Enlarged Group may be required to incur additional compliance costs or implement structural changes to satisfy new requirements. Any inability to meet or adapt to such evolving regulatory standards may have a material adverse impact on the Enlarged Group's operations and expansion plans.

(f) The Enlarged Group may be exposed to foreign exchange and financial market volatility

The Target Group's operations involve purchases of raw materials and technical collaboration payments denominated in foreign currencies such as United States Dollar, Singapore Dollar, Thai Baht, Indonesian Rupiah, Japanese Yen, and Chinese Yuan. As such, the Enlarged Group will be exposed to currency risk arising from exchange rate fluctuations, particularly between the Malaysian Ringgit and these currencies. Significant depreciation of the Malaysian Ringgit against these trading currencies may lead to increased procurement costs, adversely affecting the Enlarged Group's profit margins.

As at the Latest Practicable Date, the Target Group does not have a formal foreign exchange hedging policy in place. However, it continuously assesses and employs pragmatic measures to manage such risks, including entering into forward contracts or utilising foreign exchange options on a case-by-case basis. Following the completion of the Proposed Acquisition, the Company will evaluate the foreign exchange exposure of the Target Group and the New Business and determine whether a formal hedging policy should be adopted for the Enlarged

Group. While these strategies are intended to mitigate the impact of currency fluctuations, there can be no assurance that such measures will be effective in shielding the Enlarged Group from foreign exchange losses.

Additionally, the Enlarged Group's financial performance may be influenced by volatility in interest rates, fluctuations in global commodity prices, and broader economic uncertainty. These macroeconomic factors may impact input costs, customer demand, and access to financing on favourable terms.

(g) ***Risk of inability to adapt to industry trends, engineering standards, and client requirements***

The automotive components industry is continually evolving in response to changes in engineering specifications, regulatory requirements, sustainability expectations, and end-customer demands. The Group's success in the New Business will depend on its ability to adapt manufacturing processes, quality systems and product offerings to meet the evolving expectations of automotive OEMs.

The Enlarged Group's success will depend on its ability to adapt manufacturing processes, quality systems, and product designs to meet shifting standards such as those relating to EV platforms, lightweight materials, and stricter safety or emissions requirements.

Failure to keep pace with these developments may reduce the Group's competitiveness and ability to secure new business. Inaccurate forecasting of industry trends or delays in aligning operations with client-specific requirements may further undermine growth.

While the Enlarged Group will aim to strengthen its technical capabilities and product development efforts, there is no assurance that it will be able to align with market developments or secure new contracts under changing industry conditions. This may adversely affect the Enlarged Group's ability to grow its customer base, maintain margins or sustain long-term profitability.

(h) ***Risks associated with acquisitions, joint ventures and strategic alliances***

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the New Business may involve acquisitions, joint ventures or strategic alliances with third parties. There is no assurance that such acquisitions, joint ventures, strategic alliances or the joint management of such enterprises will be successful. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such ventures, alliances, acquisitions or opportunities. In such event, the Group's financial performance may be adversely affected.

While the Group will actively seek for investment or business opportunities in the New Business, there is no assurance that it will be able to identify such suitable opportunities which suit its risk and returns profile.

(i) ***Environmental, social and governance ("ESG") related compliance and risks***

Automotive components manufacturing activities are increasingly subject to scrutiny in relation to ESG considerations. The Enlarged Group may face rising stakeholder expectations and evolving regulatory requirements related to greenhouse gas emissions, energy consumption, industrial waste disposal, and labour practices.

Failure to comply with environmental laws or to demonstrate adequate ESG performance may lead to legal sanctions, revocation of licenses, difficulty accessing capital markets, exclusion from ESG-focused procurement lists, or reputational harm.

As global automotive clients adopt more rigorous supply chain due diligence and carbon neutrality goals, the Enlarged Group may be required to invest in emissions tracking, waste treatment, ESG reporting and sustainability-linked improvements. There can be no assurance that the Enlarged Group will be able to meet such standards within the required timelines or cost structures.

2.7 Key Management Personnel for the New Business

Dato' Sri Adam Sani bin Abdullah, our Non-Executive Chairman and Mr Lee Sze Siang, our Executive Director, are also the current directors of the Target. To ensure business continuity and minimal disruption to the operations of the Target Group, they will continue to serve as directors of the Target and will oversee and manage the New Business, together with the existing management team of the Group and such other persons as may be nominated by the Company and appointed to the board of the Target. Both Dato' Sri Adam Sani bin Abdullah and Mr Lee Sze Siang have each served as directors of the Target for over 15 years, during which time they have been actively involved in shaping the development, operations, and strategic direction of the Target Group. Their extensive experience in the automotive components sector and proven leadership will provide a seamless transition post-acquisition, ensuring stability and strong governance for the continued success of the Target Group.

In addition, Mr Khoo Chun Keong, who has served as the chief executive officer of the Target Group since 2017, will continue to be responsible for the daily operational execution, and performance management of the Target Group and oversee New Business. Since his appointment as the chief executive officer of the Target Group, the financial performance of the Target Group has improved. Following the Completion, he will report directly to the Board and will provide regular updates to the Board on the progress, challenges, and key developments relating to the Target Group and the New Business. Mr Khoo Chun Keong will also become part of the key management team of the Enlarged Group and will continue to play an integral role in driving the strategic and operational growth of the New Business within the Enlarged Group's broader framework.

The Target Group's key management team, with its deep industry experience and track record of operational success, will ensure the continued success of the New Business and its ability to adapt to the evolving automotive market, especially with respect to traditional automotive components and the increasing demand for EV components.

The Group notes that further experience and expertise required can be acquired and developed by the Group over time as it progresses in the New Business.

The Group will monitor developments and progress in the New Business and take the necessary steps to identify suitable candidates both within the Group as well as externally to support and manage the New Business as and when required. Where necessary, the management will consider hiring additional staff or in-house or external consultants and professional advisers as and when required in connection with the New Business.

2.8 **Internal Controls and Risk Management**

The Board recognizes that the successful integration of the New Business requires a robust internal control framework and sound risk management practices, particularly as it expands into a sector with distinct operational and regulatory characteristics. Following Completion, the external and internal risks associated with the New Business are expected to be managed within the Group's existing system of internal controls and risk management. This framework will continue to guide the Board in determining the nature and extent of risks that may be undertaken in achieving the Group's strategic objectives post-Completion and will be reviewed periodically to assess the adequacy.

To effectively manage the risks arising from the Proposed Diversification, the Group will ensure that the Target Group's internal controls, governance procedures, and financial, operational, compliance, information technology, and risk management systems are adequate, satisfactory, and well-integrated with the Group's overall corporate governance framework.

The Board is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies and does not have a separate risk committee.

To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the New Business following the Proposed Diversification.

The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies and be involved in identifying and managing the various business risks for the New Business.

Upon Completion, and where appropriate, the Audit Committee will:

(a) review with the management and external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the New Business. The Target Group currently maintains and adheres to established standard operating procedures applicable to the conduct of the New Business. Following Completion, the Audit Committee intends to direct the Enlarged Group's internal auditors to undertake a comprehensive review of these procedures and, where necessary, propose enhancements to ensure continued alignment with the Enlarged Group's governance standards; and

(b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

The Company will endeavour to ensure that the risk management systems implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the New Business and will review such risk management systems periodically to assess its adequacy.

2.9 Conflicts of Interest

When the Company identifies a potential opportunity in respect of any of the New Business, each of the Directors, key management personnel and controlling Shareholders will be obliged to disclose to the Board where he and/or his associates have an interest (and the full extent thereof) in the transaction and shall not directly, or indirectly, make any executive decisions in respect of the New Business and will not directly, or indirectly influence or participate in the operations and management of the New Business.

The Board confirms that it will continue to exercise due care and diligence in evaluating any potential or actual conflict of interest situations that may arise in connection with the Proposed Diversification or the operation of the New Business, and will take appropriate measures in accordance with applicable laws, regulations, and corporate governance standards to address and manage such conflicts, where applicable.

3. THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION

3.1 Introduction

On 21 July 2025, the Company announced that it had entered into the SSA with the Vendor for the Proposed Acquisition. Pursuant to the terms and subject to the conditions of the SSA, the Company shall purchase from the Vendor and the Vendor shall sell to the Company the Sale Shares.

Upon Completion, the Company will hold the entire issued and paid-up share capital of the Target, and the Target will become a direct subsidiary of the Company.

3.2 **Information on the Vendor**

The Vendor is a company incorporated under the laws of Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia. It is principally engaged in the business of investment holding and the provision of management, financial, technical, and other ancillary services.

As at the Latest Practicable Date, the Vendor is the sole shareholder of the Target and holds the Sale Shares representing the entire issued and paid-up share capital of the Target. The Vendor is also a controlling Shareholder, holding a direct interest in an aggregate of 905,028,113 shares of the Company, representing approximately 75.53% of the Company's issued shares. Accordingly, the Vendor is regarded as an interested person of the Company under Rule 904(4)(a) of the Listing Manual.

Save as disclosed above and in Section 7 of this Circular, and except for the provision of management services by the Vendor's wholly owned subsidiary to the Company, pursuant to which the management fees were agreed upon by the parties, the Vendor has no other business relationship or dealings, with the Company, its Directors, or, to the best of the Company's knowledge, its Substantial Shareholders.

As at the Latest Practicable Date, and save as disclosed, the Vendor does not have any other direct or indirect interest in the shares of the Company.

3.3 **Information on the Target**

The Target is a private limited company limited by shares incorporated in Malaysia on 23 September 2004, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia. The Target has an issued and paid-up share capital of RM37,700,000 comprising 37,700,000 ordinary shares. As at the Latest Practicable Date, the Vendor is the sole shareholder of the Target and owns the Sale Shares representing the entire issued and paid-up share capital of the Target.

As at the Latest Practicable Date, the directors of the Target are Dato' Sri Adam Sani bin Abdullah, our Non-Executive Chairman, Khoo Chun Keong and Lee Sze Siang, our Executive Director.

The Target is principally engaged in business activity of investment holding. As at the Latest Practicable Date, the Target has five (5) subsidiaries. Please refer to Section 3.4 of this Circular for more information on the Target Group.

3.4 **Business Overview of the Target Group**

As at the Latest Practicable Date, the Target Group comprises a group of Malaysian-incorporated companies principally engaged in the manufacturing and supplying of automotive component parts, with a strong track record of more than 50 years in the industry.

The corporate structure of the Target Group as at the Latest Practicable Date is set out in **Appendix C** to this Circular.

The Target Group includes the following companies:

(a) **United Sanoh Industries Sdn. Bhd. ("USISB")**. USISB is a private limited company limited by share incorporated in Malaysia on 26 July 1978, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

As at the Latest Practicable Date, USISB has an issued and paid-up share capital of RM1,500,000 comprising 1,500,000 ordinary shares, with the Target holding 70% of the total issued and paid-up share capital of USISB. Sanoh Industrial Co., Ltd. and Shinsho Corporation, both of which are unrelated parties to the Company and the Vendor, hold the remaining 25% and 5% of the total issued and paid-up share capital of USISB respectively.

USISB is principally engaged in the manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings.

As at the Latest Practicable Date, the directors of USISB are Lee Sze Siang, Khoo Chun Keong, Ho Yuet Leng, Takashi Terauchi and Shigeru Umemori.

(b) **United Industries Sdn. Bhd. ("UISB")**. UISB is a private limited company limited by share incorporated in Malaysia on 28 February 1973, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia. As at the Latest Practicable Date, UISB has an issued and paid-up share capital of RM6,250,000 comprising 6,250,000 ordinary shares.

As at the Latest Practicable Date, the Target holds 100% of the total issued and paid-up share capital of UISB, making it a wholly owned subsidiary of the Target and accordingly, an indirect wholly owned subsidiary of the Vendor.

UISB is principally engaged in the manufacturing and marketing of exhaust systems and other automotive components parts. Its secondary business activity involves the comprehensive marketing and sales of integrated technologies and machinery services, specialising in brazing solutions which include, but are not limited to, state-of-the art machinery, advanced control systems, essential accessories, and premium materials, and modular components such as instrument panels, beam axles, lateral rods, and battery carriers.

As at the Latest Practicable Date, the directors of UISB are Lee Sze Siang, Khoo Chun Keong and Ho Yuet Leng.

(c) **United Vehicles Industries Sdn. Bhd. ("UVISB")**. UVISB is a private limited company limited by share incorporated in Malaysia on 7 September 1982, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia. As at the Latest Practicable Date, UVISB has an issued and paid-up share capital of RM6,832,000 comprising 6,832,000 ordinary shares.

As at the Latest Practicable Date, the Target holds 81% of the total issued and paid-up share capital of UVISB directly, with the remaining 19% is held by UISB, a wholly owned subsidiary of the Target. Accordingly, UVISB is a wholly owned subsidiary of the Target and an indirect wholly owned subsidiary of the Vendor through its shareholding structure within the Target Group.

UVISB began manufacturing fuel tanks in 1984 for a leading national car manufacturer in Malaysia. It currently supplies both plastic and metal fuel tanks, as well as modular components including cross member assemblies, floor cross members, radiator supports, and screw jacks to various original equipment manufacturers in Malaysia.

As at the Latest Practicable Date, the directors of UVISB are Lee Sze Siang, Khoo Chun Keong and Ho Yuet Leng.

(d) **UVI Advance Technology Sdn. Bhd. ("UVIAT")**. UVIAT is a private limited company limited by share incorporated in Malaysia on 19 November 1996, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia. As at the Latest Practicable Date, UVIAT has an issued and paid-up share capital of RM4,800,000 comprising 4,800,000 ordinary shares.

As at the Latest Practicable Date, the Target holds 100% of the total issued and paid-up share capital of UVIAT, making it a wholly owned subsidiary of the Target and accordingly, an indirect wholly owned subsidiary of the Vendor.

The principal business of UVIAT is the manufacture, assembly, and marketing of plastic fuel tanks, and it is currently dormant.

As at the Latest Practicable Date, the directors of UVIAT are Khoo Chun Keong and Ho Yuet Leng.

(e) **United Daisheng Technology Industries Sdn. Bhd. ("UDTI")**. UDTI is a private limited company limited by share incorporated in Malaysia on 3 April 2025, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia. As at the Latest Practicable Date, UDTI has an issued and paid-up share capital of RM1,000 comprising 1,000 ordinary shares.

As at the Latest Practicable Date, UVIAT holds 50% of the total issued and paid-up share capital of UDTI, with the remaining 50% held by an unrelated third party, Daisheng Technology (Suzhou) Co., Ltd..

UDTI is principally engaged in the design, developing, assembling, testing, manufacturing and sale of automotive parts inclusive related jigs/ tools, moulds, dyes and equipment for assembling and manufacturing, industrial machinery and equipment, and general machinery and equipment, as well as systems based on development, design, technology development, know-how and method research related to the manufacturing of the same products and do all other things necessary for the said products. However, as UDTI was recently incorporated, it has not commenced its business operations as of the Latest Practicable Date.

As at the Latest Practicable Date, the directors of UDTI are Khoo Chun Keong, Asmui Bin Mohamad Basir, Zulkafly Bin Ahmad, Cai Yong and Wang Yong.

The Target Group currently operates two (2) manufacturing plants, namely:

(a) Meru Plant 1, which is built on two (2) freehold lands with titles held under:

(i) Lot 5017, GM 478, Mukim Kapar, District of Klang bearing the postal address of Lot 5017, Jalan Teratai, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan, registered in the name of UVISB; and

(ii) PT 54753, HSM 35827, Mukim Kapar, district of Klang bearing the postal address of PT 54753, Jalan Teratai, Off Jalan Meru, 41050 Klang, Selangor Darul Ehsan, registered in the name of UISB,

on which the buildings and factories comprising Meru Plant 1 are erected, and which supplies to various customers; and

(b) Pegoh Plant 2, which is built on the land with title held under Lot 15706, GRN 65694, Mukim of Pegoh, District of Alor Gajah, Melaka and bearing postal address of Lot 15706, Jalan Persiaran Hicom Pegoh 2, Taman Perindustrian Hicom Pegoh, 78000 Alor Gajah Melaka, which is currently dedicated to a leading automotive manufacturer in Malaysia and registered in the name of UVISB.

Furthermore, the Target Group owns leasehold land held under title PN 27323, Lot 4292, Mukim of Pulau Sebang, District of Alor Gajah, Melaka, bearing the postal address No. PS 1641-A, Jalan IKS PS 6, Taman Industri Kecil & Sederhana Pulau Sebang, 78000 Alor Gajah, Melaka, which is classified as an investment property.

In addition to its manufacturing operations, the Target Group possesses in-house capabilities and facilities to support the following functions:

(a) Fit-and-function design;

(b) Deep drawing engineering and tooling fabrication;

(c) Product design and development;

(d) Machine automation and jig design; and

(e) Production line design and assembly.

The Target Group maintains multiple technical collaborations to enhance its product development and manufacturing capabilities.

As a testament to its commitment to deliver high quality products and efficient operations, the Target Group has obtained the following internationally recognised certifications, reflecting its commitment to quality management, occupational health and safety, and environmental sustainability:

(a) IATF 16949:2016 – Automotive Quality Management System;

(b) ISO 9001:2015 – Quality Management System;

(c) ISO 45001:2018 – Occupational Health and Safety Management System; and

(d) ISO 14001:2015 – Environmental Management System.

3.5 **Financial Information on the Target Group**

A summary of the audited consolidated financial statements of the Target Group for the financial years ended 28 February 2023 ("**FY2023**"), 29 February 2024 ("**FY2024**") and 28 February 2025 ("**FY2025**"), as well as the unaudited consolidated financial statements of the Target Group for the three (3) months financial periods ended 31 May 2024 ("**1Q2025**") and 31 May 2025 ("**1Q2026**") is set out below.

(RM'000)	Audited			Unaudited	
	FY2023	**FY2024**	**FY2025**	**1Q2025**	**1Q2026**
Revenue	219,609	261,286	251,604	66,509	56,532
Cost of sales	(187,637)	(225,006)	(209,485)	(55,631)	(47,322)
Gross profit	31,972	36,280	42,119	10,878	9,210
Gross profit margin	*14.6%*	*13.9%*	*16.8%*	*16.4%*	*16.3%*
Interest income	338	438	597	133	109
Other income	1,471	2,851	1,188	857	298
Selling and distribution expenses	(3,870)	(4,595)	(4,770)	(1,348)	(1,071)
Administrative expenses	(8,361)	(9,726)	(7,133)	(1,794)	(1,720)
Finance costs	(631)	(753)	(755)	(197)	(197)
Other expenses	(79)	(182)	(287)	(366)	(37)
Profit before tax	20,840	24,313	30,959	8,162	6,592
Income tax expense	(4,356)	(4,281)	(7,975)	(1,112)	(1,854)
Net profit after tax	16,484	20,032	22,984	7,050	4,738
Profit attributable:					
Owners of the parent	14,759	18,530	20,420	6,183	4,405
Non-controlling interests	1,725	1,502	2,564	867	333
	16,484	20,032	22,984	7,050	4,738

(RM'000)	Audited As at 28 February 2023	Audited As at 29 February 2024	Audited As at 28 February 2025	Unaudited As at 31 May 2025
Property, plant and equipment[(1)]	65,660	69,705	72,130	77,386
Investment properties	2,236	2,198	2,160	2,150
Right-of-use assets	1,976	855	1,337	1,190
Other investments	113	137	136	136
Deferred tax assets	58	495	259	87
Non-current assets	**70,043**	**73,389**	**76,022**	**80,949**
Inventories	32,220	33,877	27,803	24,476
Trade and other receivables	33,775	34,147	24,262	30,758
Prepayments	914	677	724	706
Tax recoverable	3,426	3,499	3,517	3,614
Cash and bank balances	23,764	35,845	29,022	26,041
Capitalised contract costs	484	703	2,349	1,657
Current assets	**94,583**	**108,748**	**87,677**	**87,252**
Total assets	**164,626**	**182,137**	**163,699**	**168,201**
Deferred tax liabilities	3,593	2,803	3,372	3,756
Employee benefits	1,705	1,338	1,334	1,463
Lease liabilities	826	35	756	690
Loans and borrowings	9,928	8,318	8,762	8,479
Non-current liabilities	**16,052**	**12,494**	**14,224**	**14,388**
Trade and other payables	51,226	69,668	50,854	48,162
Employee benefits	434	514	702	562
Lease liabilities	1,170	846	590	518
Loans and borrowings	3,750	7,273	6,447	8,951
Current liabilities	**56,580**	**78,301**	**58,593**	**58,193**
Total liabilities	**72,632**	**90,795**	**72,817**	**72,581**
Share capital	37,700	37,700	37,700	37,700
Retained earnings	42,560	43,100	42,464	46,869
Equity attributable to owners of the parent	80,260	80,800	80,164	84,569
Non-controlling interests	11,734	10,542	10,718	11,051
Total equity	**91,994**	**91,342**	**90,882**	**95,620**
Total equity and liabilities	**164,626**	**182,137**	**163,699**	**168,201**

Note:

(1) Property, plant and equipment of the Target Group are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Accordingly, the fair value of the properties has not been reflected in the financial information mentioned above.

3.6 **Independent Valuation**

Valuation of the Target Group

As at the Latest Practicable Date, there is no available open market valuation of the Sale Shares. As such, in connection with the Proposed Acquisition, the Company has engaged NAVI as the Independent Valuer to undertake an independent business valuation of the Target Group to assess and determine the value of the Sale Shares as at the valuation date of 31 May 2025 (the "**Valuation Date**").

A summary of the Independent Valuation Report (the "**Summary Valuation Report**") dated 29 September 2025 and prepared by the Independent Valuer is set out in **Appendix A** to this Circular. Based on the Summary Valuation Report, the Independent Valuer has ascribed that the market value of the 100% equity value of the Sale Shares as at the Valuation Date is within the range from approximately RM167,760,000 to RM183,498,000 (rounded to the nearest thousand). The Independent Valuer has adopted the income approach as the primary approach with the market approach as a cross-check in deriving the aforesaid valuation. The Summary Valuation Report has been prepared in accordance with Practice Note 2: Minimum Disclosure Requirements for Summary Valuation Report issued by the Institute of Valuers and Appraisers, Singapore ("**IVAS**").

Background of the Independent Valuer

NAVI was founded in 2022 and currently has a team of more than five professionals performing the business valuation function, including its Chief Executive Officer, Mr Richard Yap, who have experience in corporate finance, strategy and business valuation and advisory work. NAVI is a corporate member of International Valuation Standard Council (the independent global standard setter for the valuation profession).

Mr Richard Yap is a member of the IVAS who holds the certification of Chartered Valuer Appraisal and has the requisite certification for conducting business valuation. Mr Richard Yap has around 15 years of experience as a business valuer. He has conducted business valuations on companies located/operating in countries such as Singapore, Malaysia, Indonesia, China and India for transaction purpose and has experience in conducting business valuations on companies operating in the automotive and transport industry. Beside valuations for transaction purpose, Mr Richard Yap also conducts valuations for financial reporting purpose such as purchase price allocation exercise, share option valuation and impairment assessment of companies operating in Singapore, Malaysia, Indonesia, China, Vietnam and Thailand.

Shareholders are advised to read and consider the Summary Valuation Report issued by the Independent Valuer, which is set out in **Appendix A** to this Circular, in respect of the market value of the Sale Shares carefully, in particular the valuation methodologies and principal assumptions used in arriving at the aforesaid valuation in respect of the Target. The Independent Valuation Report and Summary Valuation Report will be made available for inspection by Shareholders.

3.7 **Principal terms of the Proposed Acquisition**

(a) Proposed Acquisition

Subject to the terms and conditions of the SSA, the Company shall purchase from the Vendor and the Vendor agrees to sell to the Company the Sale Shares, which represent the Target's entire issued and paid-up share capital.

(b) Consideration

The total consideration for the Proposed Acquisition is RM175,000,000 ("**Purchase Consideration**"), which shall be satisfied in cash, arrived at on a willing buyer and willing seller basis.

The Purchase Consideration shall be paid in the following manner:

(i) *Refundable Deposit*

Upon execution of the SSA, a refundable sum of RM17,500,000, representing 10% of the Purchase Consideration ("**Deposit**"), shall be paid by the Company to the Vendor to be dealt with in accordance with clause 2.4 of the SSA.

(ii) *Balance Purchase Consideration*

A sum of RM157,500,000, representing 90% of the Purchase Consideration ("**Balance Purchase Consideration**"), shall be paid to the Vendor on the date of completion of the sale and purchase of the Sale Shares in accordance with the SSA.

The Vendor shall place the Deposit in an interest-bearing account maintained with a licensed financial institution in Malaysia ("**Licensed Financial Institution**") on the same day the Deposit is received, or, if that is not practicable, no later than the next business day following receipt of the Deposit. The Vendor shall notify the Company in writing upon such placement, providing details of the account and evidence of the same. Any interest accrued on the Deposit shall be dealt with in accordance with clause 3.5 of the SSA.

As at the Latest Practicable Date, the Deposit has been paid by the Company to the Vendor and has been placed by the Vendor in an interest-bearing account maintained with a Licensed Financial Institution.

(c) Conditions Precedent

Completion shall be conditional upon the fulfilment (or waiver, as the case may be) of, *inter alia*, the following conditions precedent specified in the SSA (the "**Conditions Precedent**"):

(i) The approval by the shareholders of the Company for the Proposed Acquisition as an interested person transaction and a major transaction and the Proposed Diversification, as required under the Listing Manual;

(ii) The approval by the shareholders of the Vendor for the disposal of the Sale Shares in accordance with terms of the SSA, as required under the Main Market Listing Requirements of Bursa Securities;

(iii) All Third-Party Consent and Permit**,** having been obtained and remaining valid and effective up till and including the Completion, and where any such Third-Party Consent and Permit is subject to conditions, such conditions being satisfactory to the Company in its reasonable discretion and being fulfilled, with copies of all such Third-Party Consents and Permits to be provided to the Company promptly upon receipt;

(iv) The results of a legal, financial and tax due diligence exercise by the Company and/or its professional advisers on the financial, legal, contractual, tax and prospects of the Target Group and the titles held by the Target Group in relation to the properties and assets owned by the Target Group which are reasonably satisfactory to the Company and its advisers in their sole and absolute discretion;

(v) There having been no material adverse change to the business, operations, assets, financial condition, turnover or prospects of the Target Group prior to the Completion; and

(vi) The representations and warranties of the Company and the Vendor set out in the SSA being true, accurate and correct in all material respects as if made on the Completion Date, with references to the then existing circumstances, and the

Company and the Vendor having performed in all material respects of all of their obligations under the SSA which are required to be performed on or before the Completion Date.

The due diligence exercise conducted by the Company and/or its professional advisers, as referred to in Section 3.7(c)(iv) of this Circular, has been completed as at the Latest Practicable Date, and the results were satisfactory to the Group. As at the Latest Practicable Date, there has been no material adverse change to the business, operations, assets, financial condition, turnover, or prospects of the Target Group. However, if any such material adverse change were to occur prior to Completion, it would be attributable to the failure of the Vendor. In such a case, the Vendor shall refund the Deposit, together with any interest accrued thereon, to the Company in accordance with the provisions set out below.

Notwithstanding anything to the contrary in the SSA, the Company and the Vendor may extend the Long-Stop Date and the Completion Date by mutual agreement in writing.

Subject to clause 3.4 of the SSA, in the event any Condition Precedent is not fulfilled (or otherwise waived by the Company) by the Long-Stop Date, the SSA shall lapse and determine and no party shall have any claim against the other party. In such event:

(i) if the failure to fulfil the relevant Condition Precedent is attributable to the Vendor, the Vendor shall refund the Deposit, together with interest accrued thereon (calculated based on the actual interest earned from the placement of the Deposit in an interest-bearing account maintained by the Vendor with the Licensed Financial Institution until (but excluding) the date of its refund to the Company), to the Company. Such refund shall be made within fourteen (14) days from the date of termination of the SSA, without any set-off, counterclaim or deduction whatsoever; or

(ii) if the failure to fulfil the relevant Condition Precedent is attributable to the Company, the Vendor shall refund the Deposit (without interest and without any set-off, counterclaim or deduction whatsoever) to the Company within fourteen (14) days from the date of termination of the SSA.

(d) Completion

Subject to the Conditions Precedents being fulfilled or waived in accordance with the terms of the SSA, Completion shall take place on the Completion Date.

3.8 **Basis for Purchase Consideration**

The Purchase Consideration was arrived at on a willing buyer and willing seller basis, taking into account, *inter alia*, the following:

(a) the market value of the Sale Shares as at the Valuation Date as assessed by the Independent Valuer;

(b) the profitable historical financial performance of the Target Group;

(c) the cash flow generating capabilities and future potential earnings of the Target Group; and

(d) the rationale for the Proposed Acquisition as set out in Section 3.10 of this Circular.

3.9 **Source of Fund**

The Proposed Acquisition will be funded by internal resources of the Group including the proceeds from the placement exercises undertaken by the Company in 2016 and 2017. No external financing will be required for the Completion.

3.10 **Rationale for the Proposed Acquisition**

The Proposed Acquisition represents a strategic initiative by the Group to diversify beyond its Existing Business. The Group operates under the brand name "ZON" and is recognised as one of the Malaysia's largest multichannel duty-free and duty-paid retail brands, serving both Malaysians and international customers at major entry and exit points across Peninsular Malaysia. The Group operates retail outlets in various regions, offering a wide range of premium international brands, including imported duty-free beverages, tobacco products, chocolates, confectionery, perfumes, cosmetics, and souvenirs. While the duty-free segment continues to be a key revenue contributor, the Board acknowledges the need to mitigate concentration risk and enhance the Group's long-term resilience by expanding into business sectors that is able to provide stable recurring income.

The Target Group has a significant presence in the automotive parts manufacturing industry in Malaysia, supported by well-equipped production facilities, in-house engineering capabilities and long-standing customer relationships. The Target Group is also strengthening collaborations with its technical partner across the EV value chain and actively exploring the expansion of its manufacturing capabilities to support the national aspiration of EV production. To further enhance its position, the Target Group is seeking technical assistance and joint venture partnerships with foreign companies to accelerate entry into the EV segment. These initiatives aim to ensure the Target Group remains competitive and well positioned in the evolving market, while complying with global regulatory standards and advancing its sustainability goals.

Through the Proposed Acquisition, the Group will enter the automotive parts manufacturing industry in Malaysia, a sector with strong fundamentals and recurring demand. The Target Group's established track record with OEM clients, along with its strategic initiatives to expand into the EV segment, presents a compelling platform for future growth. The Proposed Acquisition is expected to enhance the Group's operational scale, broaden its earnings base, and expand its geographic footprint, thereby creating long-term value for Shareholders.

3.11 **Relative Figures of the Proposed Acquisition**

For the purposes of Chapter 10 of the Listing Manual, the relative figures computed for the Proposed Acquisition using the bases set out in Rule 1006 of the Listing Manual and the latest announced unaudited consolidated financial information of the Group for the three (3) months financial period ended 31 May 2025 are as follows:

Rule	Base	Relative Figure (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable[1]
1006(b)	The net profits[2] attributable to the assets acquired or disposed of, compared with the group's net profits.	288.99 [3]
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	64.94 [4]
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable[5]
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable[6]

Notes:

(1) Rule 1006(a) of the Listing Manual is not applicable to an acquisition of assets.

(2) Under Rule 1002(3) of the Listing Manual, "net profits" is defined as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(3) The relative figure computed on the basis in Rule 1006(b) in respect of the Proposed Acquisition is derived by computing (a) the Target Group's net profit of approximately RM6,592,000 (equivalent to approximately S$2,004,000) attributable to the Target based on its unaudited management accounts for the three (3) months financial period ended 31 May 2025; and (b) the Group's net profit of approximately RM2,281,000 (equivalent to approximately S$693,000), based on its unaudited consolidated financial statements for the three (3) months financial period ended 31 May 2025 (being the latest announced unaudited consolidated financial statements of the Group).

(4) The relative figure computed on the basis of Rule 1006(c) in respect of the Proposed Acquisition is derived by computing (a) the Purchase Consideration for the Proposed Acquisition of RM175,000,000 and (b) the Company's market capitalisation of approximately S$81.6 million (equivalent to approximately RM 269.5 million based on an exchange rate of RM1: S$0.3028 as quoted by the Monetary Authority of Singapore as at 18 July 2025) derived by multiplying the issued share capital of the Company of 1,198,200,293 shares (excluding 30,999,300 treasury shares) by the volume-weighted average price of S$0.0681 per share on 18 July 2025, being the last market day of trading in the Company's share preceding the date of the SSA.

(5) This basis is not applicable as no equity securities will be issued by the Company as consideration for the Proposed Acquisition.

(6) This basis is not applicable as the Company is not a mineral, oil and gas company.

3.12 Proposed Acquisition as a Major Transaction

The relative figure computed under Rule 1006(b) of the Listing Manual exceeds 100%. Under Rule 1015(7) of the Listing Manual, Rule 1015 does not apply in the case of an acquisition of a profitable asset if the only limit breached is Rule 1006(b). Accordingly, the Proposed Acquisition will not constitute a very substantial acquisition under Chapter 10 of the Listing Manual.

Notwithstanding, as the relative figures computed under Rule 1006(c) of the Listing Manual exceed 20%, the Proposed Acquisition therefore constitutes a "Major Transaction" as defined under Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders at the EGM.

4. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

4.1 Chapter 9 of the Listing Manual

Pursuant to Chapter 9 of the Listing Manual, Shareholders' approval is required if the Company proposes to enter into a transaction with an interested person, and the value of such transaction, whether by itself or when aggregated with the value of other transactions (each being S$100,000 or more) entered into with the same interested person during the same financial year amounts to 5% or more of the Group's latest audited NTA.

4.2 The Proposed Acquisition as an Interested Person Transaction

As at the Latest Practicable Date, the Vendor is a controlling Shareholder, holding a direct interest in an aggregate of 905,028,113 shares of the Company, representing approximately 75.53% of the Company's issued share capital.

Dato' Sri Adam Sani bin Abdullah is a Non-Executive Chairman of the Board and a controlling Shareholder, having deemed interested in an aggregate of 905,028,113 shares of the Company, representing approximately 75.53% of the issued share capital of the Company as at the Latest Practicable Date. Such deemed interest arises from the shares held by the Vendor through Chesterfield Trust Company Limited, in its capacity as trustee of The Lim Family Trust, by virtue of

Dato' Sri Adam Sani bin Abdullah being the settlor, the initial protector, and a primary beneficiary of The Lim Family Trust. In addition, Dato' Sri Adam Sani bin Abdullah is the executive chairman and a controlling shareholder of the Vendor, as he is deemed to hold an indirect interest in 132,819,214 shares of the Vendor, representing approximately 52.36% of the issued share capital of the Vendor as at the Latest Practicable Date. Such deemed interest arises through Chesterfield Trust Company Limited, in its capacity as trustee of The Lim Family Trust in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of Dato' Sri Adam Sani bin Abdullah being the settlor, the initial protector and a primary beneficiary of trust. For a clearer illustration of the relationship between the Company, the Vendor, and Dato' Sri Adam Sani bin Abdullah, please refer to the relationship map provided in **Appendix D** to this Circular.

Accordingly, the Vendor, being a controlling Shareholder and an associate of Dato' Sri Adam Sani bin Abdullah, is regarded as an interested person of the Company under Rule 904(4)(a) of the Listing Manual.

The Proposed Acquisition therefore constitutes an "interested person transaction" under Chapter 9 of the Listing Manual.

4.3 NTA of the Group

Based on the Group's latest audited consolidated financial statements for the financial year ended 28 February 2025, the NTA of the Group was approximately RM368,609,000 (equivalent to approximately S$111,355,000) and 5.0% of the NTA of the Group was approximately RM18,430,000 (equivalent to approximately S$5,568,000).

4.4 Value of the Proposed Acquisition as an Interested Person Transaction

The Purchase Consideration of RM175,000,000 for the Proposed Acquisition represents approximately 47.48% of the latest audited NTA of the Group. As the value of the Proposed Acquisition represents more than 5.0% of the Group's latest audited NTA, approval of the Shareholders will be required for the Proposed Acquisition as an interested person transaction, in accordance with Rule 906(1) of the Listing Manual.

4.5 Total Value of the Interested Person Transactions for the Financial Year

As at the Latest Practicable Date:

(a) the total value of all the interested person transactions entered into with the Vendor, Dato' Sri Adam Sani bin Abdullah and each of their associates during the current financial year, excluding transactions which are less than S$100,000 and excluding the Proposed Acquisition, is approximately S$354,000, representing the invoiced amount for management services provided by the Vendor's wholly owned subsidiary to the Company; and

(b) the total value of all interested persons transactions entered into during the current financial year, excluding transactions which are less than S$100,000 and excluding the Proposed Acquisition, is approximately S$354,000, representing the invoiced amount for management services provided by the Vendor's wholly owned subsidiary to the Company.

Since 2009, the Vendor's wholly owned subsidiary has been providing management oversight, strategic management and corporate planning, internal audit, human resources and administration, accounting and finance, company secretarial services, information technology, and other related support services which are necessary for the Target Group's operations in consideration for a management fee charged to the Target Group on an annual basis.

Following Completion and to ensure continuity of its operation, the Vendor's wholly owned subsidiary will continue to provide the above-mentioned services to the Target Group and will charge a management fee to the Target Group, based on cost plus mark-up, in line with applicable transfer pricing guidelines. The amount of management fee may vary depending on the level of services rendered by the Vendor's wholly owned subsidiary to the Enlarged Group. For illustration purposes only, the management fees paid to the Vendor's wholly owned subsidiary for FY2025 amounted to approximately RM5.25 million (equivalent to approximately S$1.60 million) in aggregate by the Group and the Target Group, representing 1.8% of the *pro forma* Enlarged Group's NTA as at 28 February 2025.

4.6 **Independent Financial Adviser**

Pursuant to Rule 921(4)(a) of the Listing Manual, the Company has appointed ZICO Capital Pte. Ltd. as the independent financial adviser, to advise the Directors who are considered independent of the Proposed Acquisition on whether the Proposed Acquisition as an interested person transaction is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

Please refer to the advice of the IFA set out in the IFA Letter to the Independent Directors, a copy of which has been reproduced in full as **Appendix B** to this Circular. Shareholders are advised to read the IFA Letter carefully and in its entirety.

After taking into account a range of factors which the IFA considers to be relevant and have a significant bearing on its assessment, and subject to the assumptions and qualifications set out in the IFA Letter, and taking into account the information made available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the Proposed Acquisition as an interested person transaction is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1 **Bases and Assumptions**

For illustration purposes only, the *pro forma* financial effects of the Proposed Acquisition on the Group, based on the latest audited consolidated financial statements of the Group and the Target Group for the financial year ended 28 February 2025 are set out below. The audited consolidated financial statements of the Target Group have been prepared in accordance with Malaysian Financial Reporting Standards which is fully compliant with the International Financial Reporting Standards ("**IFRS**") framework, IFRS and the requirements of the Companies Act 2016 in Malaysia.

The *pro forma* financial effects as set out herein do not reflect the actual financial results or the future financial performance and condition of the Group, the Target Group and, following Completion, the Enlarged Group shall comprise the Group and the Target Group.

For the purposes of illustrating the *pro forma* financial effects of the Proposed Acquisition, the *pro forma* financial effects of the Proposed Acquisition were computed based on the following assumptions:

(a) no adjustments have been made to align any differences that may result from the adoption of different accounting standards and policies by the Group and the Target Group, if any;

(b) the Proposed Acquisition had been completed on 1 March 2024 for the purpose of illustrating the financial effects of the Proposed Acquisition on the EPS of the Group;

(c) the Proposed Acquisition had been completed on 28 February 2025 for the purpose of illustrating the financial effects of the Proposed Acquisition on the NTA per share of the Group;

(d) the financial effects do not take into account any dividend or distributions out of profits that may be declared by the Target Group in respect of the financial year ended 28 February 2025, if any;

(e) the financial effects do not take into account any potential impact on the profit or loss or net assets of the Enlarged Group arising from fair value adjustments as a result of acquisition accounting, if any; and

(f) any costs and expenses in connection with the Proposed Acquisition have been disregarded.

5.2 **Share Capital**

The Proposed Acquisition will be satisfied entirely in cash and will not involve the issuance of new shares in the Company. Accordingly, the number of shares and paid-up share capital of the Company will remain unchanged following the Completion.

5.3 **EPS**

On the bases and assumptions set out above, the *pro forma* financial effects of the Proposed Acquisition on the EPS of the Group is as follows:

For the financial year ended 28 February 2025	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to owners of the Company (RM'000)	53,612	74,032[(1)]
Weighted average number of shares in the Company ('000)	1,198,200	1,198,200
EPS (sen)	4.47	6.18

Note:

(1) Based on the audited consolidated financial statements of the Target Group for FY2025 and assumptions set out above, the profit attributable to the Enlarged Group for FY2025 would increase by approximately RM20.4 million due to the consolidation of the net profit attributable to the Target Group for FY2025.

5.4 **NTA per share**

On the bases and assumptions set out above, the *pro forma* financial effects of the Proposed Acquisition on the NTA per share of the Group is as follows:

As at 28 February 2025	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (RM'000)	368,609	284,491[(1)]
Number of shares	1,198,200	1,198,200
NTA per share (sen)	30.76	23.74

Note:

(1) Based on the audited consolidated financial statements of the Target Group for FY2025 and assumptions set out above, the effects of the Proposed Acquisition on the NTA of the Group of approximately RM 84.1 million are mainly due to the reduction of cash balances by the Purchase Consideration of RM175.0 million, partially offset by the consolidation of the NTA of the Target Group as at 28 February 2025 of approximately RM90.9 million.

6. DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract will be entered into between the Company and any such person.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

7.1 Interests of Directors

The interests of the Directors in the issued shares capital of the Company, as recorded in the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date, are set out below:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Dato' Sri Adam Sani bin Abdullah	–	–	905,028,113(2)	75.53	905,028,113	75.53
Lee Sze Siang	–	–	–	–	–	–
Chew Soo Lin	3,179,399	0.27	133,000(3)	0.01	3,312,399	0.28
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	–	–	–	–	–	–
Haslin binti Osman	–	–	–	–	–	–
Quek Meng Teck, Derrick	320,000	0.03	–	–	320,000	0.03

Notes:

(1) The figures are computed based on the issued and paid-up shares of the Company, comprising 1,198,200,293 shares (excluding 30,999,300 treasury shares) as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.

(2) Dato' Sri Adam Sani bin Abdullah is deemed interested in the 905,028,113 shares of the Company held by Vendor through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust by virtue of himself as the settlor, the initial protector and a primary beneficiary of The Lim Family Trust.

(3) Chew Soo Lin is deemed interested in the 133,000 shares of the Company held by the estate of his late mother, Chong Sai Noi @ Chong Mew Leng (deceased).

7.2 **Interests of Substantial Shareholders**

The interests of the Substantial Shareholders in the issued shares of the Company, as recorded in the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%[(1)]	No. of Shares	%[(1)]	No. of Shares	%[(1)]
Dato' Sri Adam Sani bin Abdullah	–	–	905,028,113[(2)]	75.53	905,028,113	75.53
Atlan Holdings Bhd.	905,028,113	75.53	–	–	905,028,113	75.53
Chesterfield Trust Company Limited as Trustees of The Lim Family Trust	–	–	905,028,113[(3)]	75.53	905,028,113	75.53
Distinct Continent Sdn. Bhd.	–	–	905,028,113[(4)]	75.53	905,028,113	75.53
Alpretz Capital Sdn. Bhd.	–	–	905,028,113[(5)]	75.53	905,028,113	75.53
Lim Family Holdings Limited	–	–	905,028,113[(6)]	75.53	905,028,113	75.53
Berjaya Corporation Berhad	–	–	905,028,113[(7)]	75.53	905,028,113	75.53
Tan Sri Dato' Seri Vincent Tan Chee Yioun	–	–	905,028,113[(8)]	75.53	905,028,113	75.53

Notes:

(1) The figures are computed based on the issued and paid-up shares of the Company, comprising 1,198,200,293 shares (excluding 30,999,300 treasury shares) as at the Latest Practicable Date. The Company does not have any subsidiary holdings as at the Latest Practicable Date.

(2) Dato' Sri Adam Sani bin Abdullah is deemed interested in the 905,028,113 shares of the Company held by the Vendor through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust by virtue of himself as the settlor, the initial protector and a primary beneficiary of The Lim Family Trust.

(3) Chesterfield Trust Company Limited as Trustees of The Lim Family Trust is deemed interested in the 905,028,113 shares of the Company held by the Vendor through Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. which are owned by Lim Family Holdings Limited by virtue of Section 7 of the Companies Act.

(4) Distinct Continent Sdn. Bhd. is a substantial shareholder of the Vendor. Distinct Continent Sdn. Bhd. is deemed interested in the 905,028,113 shares of the Company held by the Vendor by virtue of Section 7 of the Companies Act.

(5) Alpretz Capital Sdn. Bhd. is a substantial shareholder of the Vendor. Alpretz Capital Sdn. Bhd. is deemed interested in the 905,028,113 shares of the Company held by the Vendor by virtue of Section 7 of the Companies Act.

(6) Lim Family Holdings Limited is deemed interested in the 905,028,113 shares of the Company held by the Vendor through its majority interest in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of Section 7 of the Companies Act.

(7) Berjaya Corporation Berhad is deemed interested in the 905,028,113 shares of the Company held by the Vendor through its direct and indirect interest totalling 26.55% in the Vendor.

(8) Tan Sri Dato' Seri Vincent Tan Chee Yioun is deemed interested in the 905,028,113 shares of the Company held by the Vendor through his interest in Berjaya Corporation Berhad. Berjaya Corporation Berhad currently has a direct and indirect interest totalling 26.55% in the Vendor. Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of Berjaya Corporation Berhad.

7.3 As set out in Section 4.2 of this Circular, Dato' Sri Adam Sani bin Abdullah is a Non-Executive Chairman of the Board and a controlling Shareholder, and also serves as the executive chairman and a controlling shareholder of the Vendor. Accordingly, Dato' Sri Adam Sani bin Abdullah and his associates have abstained and will abstain, from voting on the resolutions relating to the Proposed Acquisition. In addition, Dato' Sri Adam Sani bin Abdullah has abstained and will abstain, from all decisions of the Directors in relation to the Proposed Acquisition.

7.4 Mr Chew Soo Lin is a Non-Independent Non-Executive Director of the Company and a Shareholder, having both direct and deemed interests in an aggregate 3,312,399 shares of the Company, representing approximately 0.28% of the issued share capital of the Company as at the Latest Practicable Date. Such deemed interests arise from the shares held by the estate of his late mother, Chong Sai Noi @ Chong Mew Leng (deceased). In addition, Mr Chew Soo Lin is a shareholder of the Vendor, having direct interest in 3,842,966 shares of the Vendor, representing approximately 1.52% of the issued share capital of the Vendor as at the Latest Practicable Date. In view that the Vendor is not an associate of Mr Chew Soo Lin, Mr Chew Soo Lin is not required to abstain from voting as a shareholder on the Proposed Acquisition as an interested person transaction. Nonetheless, Mr Chew Soo Lin will voluntarily abstain from voting on the resolutions relating to the Proposed Acquisition in view of good governance. In addition, Mr Chew Soo Lin has abstained and will abstain from all decisions of the Directors in relation to the Proposed Acquisition.

7.5 Mr Lee Sze Siang is an Executive Director of the Company and also an executive director of the Vendor. Accordingly, Mr Lee Sze Siang has abstained and will abstain, from all decisions of the Directors in relation to the Proposed Acquisition. Further, as Mr Lee Sze Siang is regarded as an associate of the Vendor, he has abstained, and will abstain, from voting on the resolutions relating to the Proposed Acquisition.

7.6 Save for their respective directorships and/or shareholding interests in the Company and/or its subsidiaries (as the case may be) and save as disclosed in this Circular, none of the Directors and their associates or, as far as the Company is aware, Substantial Shareholders or their associates has any interest, direct or indirect, in the Proposed Acquisition.

8. STATEMENT FROM THE AUDIT COMMITTEE

Having considered the advice and opinion of the IFA, the Audit Committee concurs with the opinion of the IFA and is of the view that, the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

9. DIRECTORS' RECOMMENDATION

9.1 The Proposed Diversification

Having considered, *inter alia*, the rationale and benefits of the Proposed Diversification, the Directors are of the opinion that the Proposed Diversification is in the best interests of the Company. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Proposed Diversification at the EGM.

9.2 The Proposed Acquisition as a major transaction and as an interested person transaction

Having considered, *inter alia*, the terms of, rationale for, and benefits of, and financial effects of the Proposed Acquisition, the advice of the IFA in relation to the Proposed Acquisition as set out in the IFA Letter, and all other relevant facts set out in this Circular, save for Dato' Sri Adam Sani bin Abdullah, Mr Chew Soo Lin and Mr Lee Sze Siang who have refrained from making any recommendation, Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Mr Quek Meng Teck, Derrick, and Puan Haslin binti Osman (collectively, the "**Independent Directors**") are of the opinion that the Proposed Acquisition is in the best interests of the Company. Accordingly, the Independent Directors recommend that the Independent Shareholders vote in favour of the Proposed Acquisition at the EGM.

10. ABSTENTION FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, not accept appointments as proxies, unless specific instructions as to voting are given. Any votes cast by such parties and/or their associates who are required to abstain from voting will be disregarded.

As set out in Sections 4.2 and 7.3 of this Circular, the Vendor, Dato' Sri Adam Sani bin Abdullah, and each of their associates shall abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Proposed Acquisition at the EGM. In addition, Dato' Sri Adam Sani bin Abdullah shall abstain from all decisions of the Directors in relation to the Proposed Acquisition.

As set out in Section 7.4 of this Circular, Mr Chew Soo Lin shall voluntarily abstain from voting (either in person or by proxy) on the resolutions relating to the Proposed Acquisition at the EGM, and shall also abstain from all decisions of the Directors in relation to the Proposed Acquisition.

As set out in Section 7.5 of this Circular, Mr Lee Sze Siang shall abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Proposed Acquisition at the EGM, and from all decisions of the Directors in relation to the Proposed Acquisition.

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held at Meeting Room 311, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Tuesday, 28 October 2025 at 11:00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend, speak and vote on their behalf at the EGM are requested to complete, sign and return the Proxy Form attached to the Notice of EGM, enclosed in this Circular, in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive by (i) post at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or (ii) email at srs.proxy@boardroomlimited.com not less than seventy-two (72) hours before the time fixed for the EGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending, speaking and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the time fixed for the EGM.

Shareholders should note that the circular issued by the Vendor to its shareholders in relation to the proposed disposal by the Vendor of the entire issued and paid-up share capital of the Target to the Company will be despatched on the same date as this Circular.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about (i) the Proposed Diversification and (ii) the Proposed Acquisition (as a major transaction and an interested person transaction), the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in its proper form and context.

14. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition (as a major transaction and an interested person transaction) and the Company and its subsidiaries, and the Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Financial Adviser has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

15. CONSENTS

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion herein of its name and all references thereto, in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

Avant Law LLC, as the legal adviser to the Company in relation to the Proposed Diversification and the Proposed Acquisition, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all the references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Peter Ling & van Geyzel, as the legal adviser to the Company in respect of Malaysia law in relation to the Proposed Acquisition, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all the references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion herein of its name, the Summary Valuation Report set out in **Appendix A** to this Circular, and all references thereto, in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

The IFA has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name, the IFA Letter as set out in **Appendix B** to this Circular, and all references thereto in the form and context in which they are included in this Circular and to act in such capacity in relation to this Circular.

16. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 138 Cecil Street, #12-01A, Cecil Court, Singapore 069538, during normal business hours for a period of three (3) months from the date of this Circular:

(a) the SSA;

(b) the Independent Valuation Report;

(c) the Summary Valuation Report;

(d) the IFA Letter; and

(e) the letters of consent referred to in Section 15 of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
DUTY FREE INTERNATIONAL LIMITED

Lee Sze Siang
Executive Director

Report date:
29 September 2025

BUSINESS VALUATION OF THE TARGET GROUP

PREPARED FOR DUTY FREE INTERNATIONAL LIMITED

Summarised Valuation Report

Executive Summary

Valuation of 100% of the issued and paid-up share capital of the Target Group (as defined herein)	
Valuation Date	31 May 2025
Intended use of valuation and/or intended user (if applicable)	To ascertain the Market Value (as defined herein) of 100% of the issued and paid-up share capital of the Target Group (as defined herein) for the Company to seek independent shareholders' approval for the proposed acquisition by Duty Free International Limited (the "**Company**" or "**DFIL**").
Background	Listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company together with its subsidiaries (the "**Group**") operates under the brand name "ZON" and is recognised as one of the Malaysia's largest multichannel duty-free and duty-paid retail brands, serving both Malaysians and international customers at major entry and exit points across Peninsular Malaysia. The Group operates retail outlets in various regions, offering a wide range of premium international brands, including imported duty-free beverages, tobacco products, chocolates, confectionery, perfumes, cosmetics and souvenirs. On 21 July 2025, the board of directors of the Company announced that the Company had entered into a share sale and purchase agreement ("**SSA**") to undertake a proposed acquisition of 37,700,000 ordinary shares, representing 100% of the issued and paid-up share capital of United Industries Holdings Sdn. Bhd. ("**Target**") for an aggregate consideration of RM175,000,000 ("**Proposed Acquisition**") subject to the terms and conditions set out in the SSA. The Proposed Acquisition is subject to an extraordinary general meeting ("**EGM**") to seek independent shareholders' approval. The Target owns 3 active subsidiaries and 2 dormant subsidiaries (collectively, "**Target Group**") as at the Valuation Date. The Target Group has over five decades of experience in producing and supplying automotive components to original equipment manufacturers ("**OEM**") in Malaysia. The Target Group's primary products and services include the manufacture and supply of plastic and metal fuel tanks, metal modular parts, screw jacks, tubings, fuel filler pipes, instrument panels, and other automotive and assembly component parts. Further details of the corporate structure can be found in section 1.1 of this report.

Valuation of 100% of the issued and paid-up share capital of the Target Group (as defined herein)	
	The details of the subsidiaries as at the Valuation Date are as follows: (a) United Industries Sdn. Bhd. ("**UISB**"), a 100% owned subsidiary and principally engaged in the manufacturing and marketing of exhaust systems and other automotive component parts. (b) United Sanoh Industries Sdn. Bhd. ("**USISB**"), a 70% owned subsidiary and principally engaged in the manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings. (c) United Vehicles Industries Sdn. Bhd. ("**UVISB**"), a 100% owned subsidiary and principally engaged in the manufacturing of plastic and metal fuel tanks, as well as modular components including cross member assemblies, floor cross members, radiator supports and screw jacks. (d) UVI Advance Technology Sdn. Bhd. ("**UVIAT**"), a 100% owned subsidiary with the principal activity of manufacturing, assembling and marketing of plastic fuel tanks, however it is currently a dormant company with no active business operations. (e) United Daisheng Technology Industries Sdn. Bhd. ("**UDTISB**"), a 50% owned subsidiary with the principal activity of design, developing, assembling, testing, manufacturing and sale of automotive parts, however it is currently dormant with no active business operations. As a result of the Proposed Acquisition, the Company would like to perform a valuation exercise to ascertain the Market Value of 100% of the issued and paid-up share capital of Target Group.
Subject matter	100% of the issued and paid-up share capital of the Target Group
Basis of Valuation	Market Value
Valuation approach	Income approach as the primary approach with the market approach as the cross-check
Valuation currency	Malaysian Ringgit (MYR or RM)
Other details	We wish to highlight that any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Valuation of 100% of the issued and paid-up share capital of the Target Group (as defined herein)
Based on the analysis outlined in the report which follows, we are of the opinion that the Market Value of 100% of the issued and paid-up share capital of the Target Group as at the Valuation Date is as follows: **RM167.7 million to RM183.5 million (rounded)**

Private and Confidential

Our reference: D0005-BV-r001c-2

NAVI CORPORATE ADVISORY PTE LTD
Company Registration No. 202224784E

6 Battery Road
Level 42 The Executive Centre
Singapore 049909

www.navi.sg

29 September 2025

Duty Free International Limited
138 Cecil Street
#12-01A Cecil Court
Singapore 069538

Dear Sirs and Madams,

VALUATION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE TARGET GROUP (AS DEFINED HEREIN) FOR THE COMPANY (AS DEFINED HEREIN)

In accordance with your instructions, we have undertaken valuation service for Duty Free International Limited (the "**Company**" or "**DFIL**"), together with its subsidiaries (the "**Group**") in relation to the proposed acquisition by the Company by acquiring 100% of the issued and paid-up share capital of Target Group (as defined herein).

All capitalised terms used in this summarised valuation report dated 29 September 2025 ("**Summarised Valuation Report**") shall bear the same meanings as ascribed to them in the valuation report dated 29 September 2025 ("**Full Report**").

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company and its subsidiaries (the "**Group**") operates under the brand name "ZON" and is recognised as one of the Malaysia's largest multichannel duty-free and duty-paid retail brands, serving both Malaysians and international customers at major entry and exit points across Peninsular Malaysia. The Group operates retail outlets in various regions, offering a wide range of premium international brands, including imported duty-free beverages, tobacco products, chocolates, confectionery, perfumes, cosmetics and souvenirs.

On 21 July 2015, the board of directors of the Company announced that the Company had entered into a share sale and purchase agreement ("**SSA**") to undertake a proposed acquisition of 37,700,000 ordinary shares, representing 100% of the issued and paid-up share capital of United Industries Holdings Sdn. Bhd. ("**Target**") for an aggregate consideration of RM175,000,000 ("**Proposed Acquisition**") subject to the terms and conditions set out in the SSA. The Proposed Acquisition is subject to an extraordinary general meeting ("**EGM**") to seek independent Shareholders' approval.

The Target owns 3 active subsidiaries and 2 dormant subsidiaries (collectively, "**Target Group**") as at the Valuation Date. The Target Group has over five decades of experience in producing and supplying automotive components to original equipment manufacturers ("**OEM**") in Malaysia. The Target Group's primary products and services include the manufacture and supply of plastic and metal fuel tanks, metal modular parts, screw jacks, tubings, fuel filler pipes, instrument panels, and other automotive and assembly component parts. Further details of the corporate structure can be found in section 1.1 of this report.

The details of the subsidiaries as at the Valuation Date are as follows:

(a) United Industries Sdn. Bhd. ("**UISB**"), a 100% owned subsidiary and principally engaged in the manufacturing and marketing of exhaust systems and other automotive component parts.

(b) United Sanoh Industries Sdn. Bhd. ("**USISB**"), a 70% owned subsidiary and principally engaged in the manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings.

(c) United Vehicles Industries Sdn. Bhd. ("**UVISB**"), a 100% owned subsidiary and principally engaged in the manufacturing of plastic and metal fuel tanks, as well as modular components including cross member assemblies, floor cross members, radiator supports and screw jacks.

(d) UVI Advance Technology Sdn. Bhd. ("**UVIAT**"), a 100% owned subsidiary with the principal activity of manufacturing, assembling and marketing of plastic fuel tanks, however it is currently dormant with no active business operations.

(e) United Daisheng Technology Industries Sdn. Bhd. ("**UDTISB**"), a 50% owned subsidiary with the principal activity of design, developing, assembling, testing, manufacturing and sale of automotive parts, however it is currently dormant with no active business operations.

As a result of the Proposed Acquisition, the Company would like to perform a valuation exercise to ascertain the Market Value of 100% of the issued and paid-up share capital of Target Group.

This Summarised Valuation Report has been prepared to seek independent Shareholders' approval by the Company in relation to the Proposed Acquisition and should be read in conjunction with the Full Report.

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2025) which is defined as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation date is 31 May 2025 ("**Valuation Date**") and the date of the Summarised Valuation Report is 29 September 2025 ("**Report Date**").

Based on the analysis outlined in the report which follows, we are of the opinion that the Market Value of 100% of the issued and paid-up share capital of the Target Group as at the Valuation Date is as follows:

RM167.7 million to RM183.5 million (rounded)

The following pages outline the factors considered and the methodology and assumptions employed in formulating our views, opinions and conclusions. Any views, opinions and/or conclusions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
Navi Corporate Advisory Pte Ltd

Richard Yap
CEO

Terms of reference

Navi Corporate Advisory Pte Ltd ("**NAVI**" or "**Valuer**") has been appointed to undertake an independent valuation of 100% of the issued and paid-up share capital of the Target Group. We were neither a party to the negotiations entered into by the Group in relation to the Proposed Acquisition nor were we involved in the deliberation leading up to the decision on the part of the management of the Company, Group and/or Target Group ("**Management**") to enter into the Proposed Acquisition (as the case may be) and we do not, by the Summarised Valuation Report, Full Report or otherwise, advise or form any judgement on the merits of the Proposed Acquisition. We do not warrant the merits of the Proposed Acquisition or the acceptability of the risk for the Proposed Acquisition.

We have confined our evaluation strictly and solely on the financials of the Target Group and have not taken into account the commercial/financial risks and/or merits (if any) of the Proposed Acquisition or the strategic merits or the comparison with other deals involving shares of the Company, Group and/or Target Group. We were not required to comment on or evaluate the methods or procedures used by the Target Group to manage the change in any risk profile of the Company, Group and/or Target Group in the context of possible changes in the nature of operations. Such evaluation or comment remains the responsibility of the Management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in the Summarised Valuation Report and/or Full Report.

We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Proposed Acquisition. In addition, we do not express any views or opinions on the merits of the Proposed Acquisition, the legality or all other matters pertaining to the Proposed Acquisition, documents for the Proposed Acquisition (the notice of meeting and the accompanying explanatory notes), *inter alia*, the independence of any party or mechanism or process of voting, acceptance, its eligibility or validity or the other alternatives (if any) or the sufficiency of the information.

In the course of our evaluation, we have held discussions with, *inter alia*, the Management regarding their assessment of the Proposed Acquisition and have examined publicly available information collated by us as well as the financial information, both written and verbal, provided to us by the Management, including its consultants or advisers (where applicable). We have not independently verified such information but have made enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or the manner in which it has been classified or presented.

We do not warrant and have not commented on the acceptability of the risk that the Company, Group and/or Target Group may be subject to for the Proposed Acquisition.

The scope of our appointment does not require us to perform an independent evaluation or appraisal of the individual assets, liabilities and/or profitability of the Company, Group and/or the Target Group and we do not express a view on the financial position, future growth prospects and earnings potential of the Group after the completion of the Proposed Acquisition in accordance with the terms of the SPA. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Group and/or the Target Group. In this respect, we have been furnished with, *inter alia*, the valuation report of the investment property dated 22 April 2024 ("**Investment Property Valuation Report**") prepared by JS Valuers Property Consultants (Melaka) Sdn. Bhd. (the "**Property Valuer**"). The property valuation was performed on a market value basis in accordance with the Malaysian Valuation Standards as at 26 March 2024. The Property Valuer confirms that there is no significant difference between the market value of the investment property as at 26 March 2024 and the Valuation Date and the Malaysian Valuation Standards is consistent with the International Valuation Standards. As we are not experts in the evaluation or appraisal of the asset as set out in the Investment Property Valuation Report, we have placed sole reliance on the appraisal in relation to the investment property as assessed by the Property Valuer.

Our opinion in this Summarised Valuation Report and/or Full Report is based on economic conditions, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as at the Valuation Date. Accordingly, the bases or assumptions and likewise our views or opinions may change in light of developments which *inter alia*, include general as well as company-specific or industry-specific conditions or sentiments or factors.

Shareholders should note that the evaluation is based solely on publicly available information and other information provided by the Management as well as the economic and market conditions prevailing as at the Valuation Date, and therefore does not reflect unexpected financial performance and financial condition after the Valuation Date or developments both macro and company-specific and that these factors do and will necessarily affect the valuation of the interests in the capital of the Target Group. Likewise, this Summarised Valuation Report outlines some of the matters or bases or factors or assumptions which we have used in our valuation and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in the valuation.

In rendering the opinion, we have made no regard for the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual shareholder of the Company, Group and/or Target Group (the "**Shareholder**"). As such, any individual Shareholder who may require advice in the context of his or her specific investment portfolio, including his or her investment in the Company, Group and/or Target Group, should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Summarised Valuation Report and provided by the Company, Group and/or Target Group which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder and that any reliance on our opinion or view or assessment, is subject to the contents of the Summarised Valuation Report and Full Report in its entirety.

Accordingly, our Summarised Valuation Report, Full Report, opinion or views or recommendation should not be used or relied on by anyone for any other intended use and should only be used by the Company, subject to the terms of reference and the contents of the Summarised Valuation Report and Full Report as one of the basis for their opinion or views or recommendation. In addition, any references to our Summarised Valuation Report, Full Report, opinion or views, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of the Summarised Valuation Report and/or Full Report in its entirety *inter alia* the matters, conditions, assumptions, factors and bases as well as our terms of reference for the Summarised Valuation Report and/or the Full Report.

Credentials

Navi Corporate Advisory Pte Ltd ("**NAVI**") is a boutique corporate advisory firm founded by the CEO, Richard Yap in 2022 who specialises in providing business valuation services. NAVI is a corporate member of the International Valuation Standard Council (the independent global standard setter for the valuation profession). Mr Richard Yap is a member of The Institute of Valuers and Appraisers, Singapore (IVAS) who holds the certification of Chartered Valuer Appraisal and has the requisite certification for conducting business valuation.

Mr Richard Yap has around 15 years of experience as a business valuer. He has conducted business valuations on companies located/ operating in countries such as Singapore, Malaysia, Indonesia, China and India for transaction purpose. Besides valuations for transaction purposes, Mr Richard Yap also conducts valuations for financial reporting purpose such as purchase price allocation exercise, share option valuation and impairment assessment of companies operating in China, Vietnam and Thailand.

1.0 Background

1.1 Introduction

Listed on the Mainboard of the SGX-ST, the Group operates under the brand name "ZON" and is recognised as one of the Malaysia's largest multichannel duty-free and duty-paid retail brands, serving both Malaysians and international customers at major entry and exit points across Peninsular Malaysia. The Group operates retail outlets in various regions, offering a wide range of premium international brands, including imported duty-free beverages, tobacco products, chocolates, confectionery, perfumes, cosmetics and souvenirs.

On 21 July 2025, the board of directors of the Company announced that the Company had entered into a SSA to undertake a proposed acquisition of 37,700,000 ordinary shares, representing 100% of the issued and paid-up share capital of Target for an aggregate consideration of RM175,000,000 subject to the terms and conditions set out in the SSA. The Proposed Acquisition is subject to an EGM to seek independent Shareholders' approval.

The Target owns 3 active subsidiaries and 2 dormant subsidiaries as at the Valuation Date. The Target Group has over five decades of experience in producing and supplying automotive components to OEM in Malaysia. The Target Group's primary products and services include the manufacture and supply of plastic and metal fuel tanks, metal modular parts, screw jacks, tubings, fuel filler pipes, instrument panels, and other automotive and assembly component parts. Further details of the corporate structure can be found in section 1.1 of this Report.

The details of the subsidiaries as at the Valuation Date are as follows:

(a) UISB, a 100% owned subsidiary and principally engaged in the manufacturing and marketing of exhaust systems and other automotive component parts.

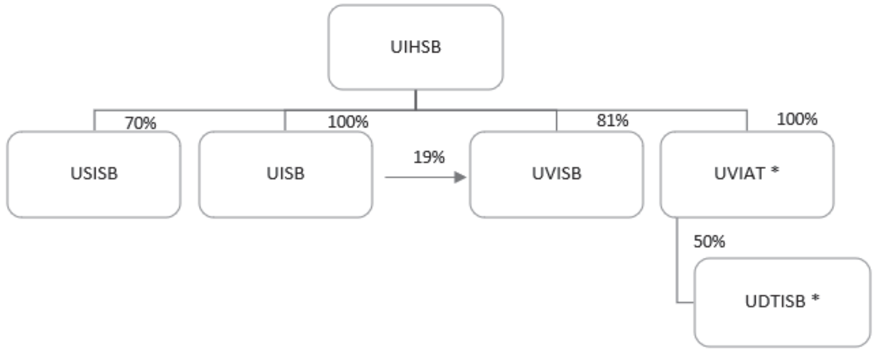
(b) USISB, a 70% owned subsidiary and principally engaged in the manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings.

(c) UVISB, a 100% owned subsidiary and principally engaged in the manufacturing of plastic and metal fuel tanks, as well as modular components including cross member assemblies, floor cross members, radiator supports and screw jacks.

(d) UVIAT, a 100% owned subsidiary with the principal activity of manufacturing, assembling and marketing of plastic fuel tanks, however it is currently dormant with no active business operations.

(e) UDTISB, a 50% owned subsidiary with the principal activity of design, developing, assembling, testing, manufacturing and sale of automotive parts, however it is currently dormant with no active business operations.

As at the Valuation Date, the corporate structure of the Target group is as follows:



**Both UVIAT and UDTISB are dormant with no active business operations as at the Valuation Date.*

1.2 Instruction

The Company instructed NAVI to perform the valuation of 100% of the issued and paid-up share capital of the Target Group.

The Valuation Date is 31 May 2025 and the Report Date is 29 September 2025.

1.3 Intended use and/or intended users (if applicable)

The intended use of the valuation is to ascertain the Market Value of 100% of the issued and paid-up share capital of the Target Group to seek independent Shareholders' approval by the Company.

1.4 Basis of Valuation

This valuation has been undertaken on a Market Value basis in accordance with the International Valuation Standards (2025) which is defined as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

1.5 Statement of Independence

We confirm that we have no present or contemplated interest in the Target Group which is the subject of this valuation and are acting independently of all parties. We were not involved in the discussion leading up to the decision on the part of the Management to enter into the Proposed Acquisition. Our fees are agreed on a lump sum basis and are not contingent on the outcome. As such, we are in a position to provide an objective and unbiased valuation.

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1.6 Limitation of Circulation

This Report has been prepared solely to seek independent Shareholders' approval by the Company and is not intended for any legal or court proceedings, general circulation, publication or reproduction in any form without our prior written consent. We will assume no responsibility or liability for any losses incurred by you or any third party as a result of unauthorized circulation, publication or reproduction of this Report in any form and/or if used contrary to the intended use stated therein.

2.0 Valuation of 100% of the Issued and Paid-Up Share Capital of the Target Group

2.1 Valuation Approaches

We have considered the 3 valuation approaches namely Income Approach, Market Approach and Cost Approach. The details of the various valuation approaches are described as follows:

2.1.1 Income Approach

Income Approach provides an indication of value by converting projected cash flow to a single current value. Under the Income Approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

2.1.2 Market Approach

Market Approach provides an indication of value by comparing the asset and/or liability with identical or comparable (that is similar) asset and/or liability for which price information is available. The Market Approach often uses market multiples derived from a set of comparables, each with different multiples. The selection of the appropriate multiple within the range may require adjustment and judgement, considering qualitative and quantitative factors.

2.1.3 Cost Approach

Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for all other relevant forms of obsolescence.

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2.2 Valuation Methodology

Based on the discussion with Management and review of the information, we have adopted the Income Approach as the primary approach and the Market Approach as reference.

The rationale for adopting the Income Approach lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. We considered the use of the Income Approach as the primary approach to be appropriate as Target Group had ongoing business and operations with the ability to generate probable future cash flows.

Under the Market Approach, we have considered the enterprise value/earnings before interest, tax, depreciation and amortisation ("**EV/EBITDA**") multiple in the valuation. While the multiple provides a useful benchmark and point of reference, we note that differences in size, capital nature of business and operations with the Comparable Companies introduce variability in the results. Accordingly, in our analysis, the Market Approach has been used as a reference to cross-check the indication of value derived from the Income Approach.

The Cost Approach is not adopted because it does not directly incorporate information about the future economic benefits expected to be derived by the Target Group.

Accordingly, we have relied solely on the Income Approach in assessing the equity value of the Target Group and the Market Approach as a reference.

<u>2.3 Valuation of 100% of the issued and paid-up share capital of Target Group</u>

*2.3.1 Income Approach – Discounted Cash Flow ("**DCF**") Method*

We have used the DCF method which is one application of the Income Approach to assess the overall enterprise value of the companies by calculating the free cash flow to the firm ("**FCFF**") of the Target Group. FCFF represents the cash flows left over after covering capital expenditure and working capital needs. The present value of FCFF is a measure of enterprise value and the equity value is subsequently derived after taking into consideration debt, non-controlling interest ("**NCI**") in USISB, excess cash and cash equivalents as well as non-operating assets/liabilities. Please refer to section "2.4.1 Valuation of 30% NCI in the capital of USISB" by Income Approach for further details.

FCFF is defined as follows:

FCFF = EBIT (1 – Tax rate) + Depreciation and Amortisation – Capital Spending – Change in Working Capital

In applying the DCF method there are three critical inputs:

- A supportable cash flow forecast;
- An estimate of the terminal value at the end of the forecast period; and
- An appropriate discount rate to discount the future cash flows to its present value.

2.3.2 Market Approach – as reference

We performed an estimate of the equity value of the Target Group using the Market Approach for reference based on the selected market multiple, EV/EBITDA multiple.

The following table illustrates the result of the 100% of the issued and paid-up share capital of the Target Group based on the Market Approach which is purely for reference purposes only and does not reflect the Market Value of the 100% of the issued and paid-up share capital of the Target Group as at Valuation Date.

	MYR'000	
	Low	High
EV/EBITDA	104,820	192,940

2.3.3 Summary of results

The following table illustrates the results based on Income Approach and Market Approach:

	MYR'000	
	Low	High
Income Approach - Primary Approach	167,761	183,498
Market Approach - Secondary Approach	104,820	192,940

2.4 Valuation of 30% NCI in the capital of USISB

2.4.1 Income Approach – DCF Method

We have used the DCF method which is one application of the Income Approach to assess the overall enterprise value of the companies by calculating the FCFF of USISB. The present value of FCFF is a measure of enterprise value and the 30% NCI value is subsequently derived after taking into consideration debt and excess cash and other surplus.

2.4.2 Market Approach

We performed a valuation of the equity value of the USISB using the Market Approach based on the selected market multiple, EV/EBITDA multiple.

The following table illustrates the result of the 30% of the issued and paid-up share capital of the USISB based on the Market Approach which is purely for reference purposes only and does not reflect the Market Value of 30% of the issued and paid-up share capital of the USISB as at Valuation Date is as follows:

	MYR'000	
	Low	High
EV/EBITDA	11,183	19,913

2.4.3 Summary of results

The following table illustrates the results based on Income Approach and Market Approach:

	MYR'000	
	Low	High
Income Approach	13,370	14,336
Market Approach	11,183	19,913

3.0 Key Assumptions

We have made the following key assumptions in this valuation exercise. Any deviation from the following key assumptions may significantly vary the valuation of the Target Group (where applicable):

- The financial information provided accurately reflects the Target Group's financial position, operation and performance.
- The financial statements were prepared in accordance with accounting principles generally accepted in their respective jurisdiction of incorporation on a true and fair basis.
- The Management has provided us the financial projections of the Target Group from the financial period 1 June 2025 to 28 February 2026 ("**FPFeb2026**") to the financial year ending 28 February 2030 ("**FY2030**"). To its best knowledge, the Management is solely responsible for the contents, estimation and assumptions used in the projections.
- The business and operation of the Target Group shall continue to operate as a going concern.
- The Target Group has sufficient liquidity to continue its business and operation.
- There will not be any material changes in the political, legal, regulatory, market and/or economic conditions in the country(ies) where the Target Group operates which may adversely affect the future prospects of the Target Group.
- There will be no material change in inflation, interest rates, exchange rates and/or rates of taxation from those prevailing as at the Valuation Date.
- There are no contingent liabilities, unusual contractual obligations or substantial commitments which would have a material effect on the value of the Target Group.
- The investment property valuation performed by the Property Valuer accurately reflects the Market Value as of the investment property at the Valuation Date. There is no significant change in the Market Value of the investment property and it is representative of the Market Value as at the Valuation Date.
- The current owners of the Target Group have clear and unencumbered title of ownership over all assets included in this assessment.
- The Target Group's operations and business will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Management, including but not limited to the occurrence of natural disasters or catastrophes, epidemics or serious accidents.

Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the report.

It should be noted that the valuation of the Target Group is critical upon the following key drivers, where applicable:

- The Target Group continues to operate as a going concern and is able to meet all its financial obligations.

- The Target Group's sales, costs and net profit continue to grow according to the forecast. Their capital expenditure and working capital requirements are estimated accurately in the projections.
- The Target Group has sufficient operational resources to support the projected turnover and profitability.

The valuation is largely based on information provided to us by the Management who is solely responsible for their contents/accuracy. We have not performed any work in the nature of an audit or due diligence or investigation of the information provided to us and accordingly have not expressed any such opinion in this report. Further, we have not carried out any work in the nature of a feasibility study, nor have we expressed a viability opinion on the Proposed Acquisition. We have also not verified or confirmed the information provided to us and have assumed that all such information is accurate and is not subject to material error or omission.

For this exercise, we have considered published market data and other public information relating to comparable companies on international stock exchanges. We are not responsible for their content and accuracy in deriving parameters such as country risk rate for the intended use of valuation. Such information was obtained from Bloomberg and other sources, where applicable.

4.0 Statement of Value

Based on the Income Approach, we are of the opinion that the Market Value of 100% of the issued and paid-up share capital of the Target Group as at the Valuation Date is as follows:

Income Approach:
RM167.7 million to RM183.5 million (rounded)

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5.0 Exclusions and Limitation of Liability

Our work has been performed in accordance with and subject to our Standard Conditions of Engagement, a copy of which has been previously provided. For your reference, we highlight some of the more pertinent points:

- We have used due skill and care in the provision of the services set out in this Summarised Valuation Report;
- We shall not under any circumstances be liable for damages, or for losses, that are not a direct result of breach of contract, or negligence, on our part in respect of services provided in connection with, or arising out of, the engagement set out in this letter (or any variation or addition thereto), or for any consequential losses or loss of profits of whatsoever nature. In any event, the liability of NAVI, its related companies, partners, directors and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed the fees paid specifically for the work in question which allegedly entailed a breach of contract or negligence on our part;
- In no event shall NAVI, its related companies, partners, directors and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any misrepresentations or any default on the part of the directors, employees or agents of the management of the Company and its subsidiaries;
- Without derogating from the aforesaid provisions, we shall not under any circumstances whatsoever, be liable to any third party, whether or not they are shown a copy of any work that we have done pursuant to the terms of our engagement, and whether or not we have consented to such work being shown to them, save and except where we specifically agreed in writing to accept such liability;
- Except as a result of our own negligence or wilful default, in the event that we find ourselves subject to a claim or incur legal costs from another party as a result of false or misrepresented information provided by Management in connection with this engagement, any claim established against us and the cost we necessarily incur in defending it would form part of the expenses we would look to recover from the management of the Company.

29 September 2025

To: The Directors of Duty Free International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") who are considered independent for the purposes of the Proposed Acquisition (as defined herein)

Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) *(Lead Independent Director)*
Mr. Quek Meng Teck, Derrick *(Independent Director)*
Puan Haslin binti Osman *(Independent Director)*

(collectively, the "**Independent Directors**")

Dear Sirs,

THE PROPOSED ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF UNITED INDUSTRIES HOLDINGS SDN. BHD. AS A MAJOR TRANSACTION AND AS AN INTERESTED PERSON TRANSACTION ("PROPOSED ACQUISITION")

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of the Company ("**Shareholders**") dated 29 September 2025 (the "**Circular**").*

1. INTRODUCTION

1.1 On 21 July 2025 (the "**Announcement Date**"), the board of directors (the "**Directors**") of the Company announced that the Company had entered into a share sale and purchase agreement ("**SSA**") with Atlan Holdings Bhd. (the "**Vendor**") for the sale by the Vendor, and the purchase by the Company, of 37,700,000 ordinary shares (the "**Sale Shares**") representing 100% of the issued and paid-up share capital of United Industries Holdings Sdn. Bhd. ("**Target**") for an aggregate consideration of RM175,000,000, subject to the terms and conditions set out in the SSA.

1.2 The Proposed Acquisition (i) constitutes an "Interested Person Transaction" and a "Major Transaction" under Chapter 9 and Chapter 10 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") respectively; and (ii) will result in the diversification and expansion of core business by the Company into manufacturing and supply of automotive components parts ("**Proposed Diversification**").

1.3 ZICO Capital Pte. Ltd. ("**ZICO Capital**") has been appointed by the Company as the independent financial adviser ("**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual to advise the Independent Directors on whether the Proposed Acquisition, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This IFA letter ("**IFA Letter**") has been prepared pursuant to Rule 921(4)(a) of the Listing Manual, as well as for the use of the Independent Directors to provide an opinion on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. Our opinion in relation to the Proposed Acquisition should be considered in the context of the entirety of this IFA Letter and the Circular.

2 TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise Independent Directors on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

We were not involved in or responsible for, any aspect in the negotiations pertaining to the Proposed Acquisition, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Acquisition. We do not, by this IFA Letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed Acquisition, other than to express an opinion on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have, however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion. The scope of our appointment does not require us to express, nor do we express, a view on the future growth prospects, earnings potential or value of the Company. We do not express any view as to the price at which the ordinary shares in the Company ("**DFI Shares**" or "**Shares**") may trade upon completion of the Proposed Acquisition ("**Completion**") nor on the future value, financial performance or condition of the Target and its subsidiaries (collectively, the "**Target Group**") or the Company or the Group after the Completion. It is also not within our terms of reference to compare the merits of the Proposed Acquisition to any alternative transactions that were or may have been available to the Company. Such comparison and consideration remain the responsibility of the Directors and their advisers.

In the course of our evaluation of the Proposed Acquisition, we have held discussions with the Directors and the management of the Company ("**Management**"). We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors and the Management, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations provided by the Company. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability and accuracy of such information.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Target Group and the Group, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the real properties) of the Target Group. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities, and profitability of the Target Group. In this respect, we have been furnished with a valuation report dated 29 September 2025 ("**Independent Valuation Report**") prepared by Navi Corporate Advisory Pte. Ltd. ("**NAVI**" or the "**Independent Valuer**") in relation to the independent valuation on the market value of 100% of the issued and paid-up share capital of the Target Group ("**Valuation**") as at 31 May 2025 (the "**Valuation Date**"). The details of the Valuation are set out in Section 4.3 of this IFA Letter.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Independent Valuation Report for such Valuation, and have not made any independent verification of the contents thereof. Our opinion is based upon market, economic, industry, monetary and other conditions (where applicable) prevailing on, as well as our analysis of the information made available to us as at 15 September 2025 (the "**Latest Practicable Date**") (including the Target Group's audited consolidated financial statements for financial years ended 28 February 2023, 29 February 2024 and 28 February 2025, and the Target Group's unaudited consolidated financial statements for the three (3)-month financial period ended 31 May 2025). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent developments after the Latest Practicable Date that may affect our opinion or factors or assumptions contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Acquisition, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Listing Manual, and for the use by the Independent Directors in connection with their consideration of the Proposed Acquisition, but any recommendations made by the Independent Directors in respect of the Proposed Acquisition shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Proposed Acquisition) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Proposed Acquisition should be considered in the context of the entirety of this IFA Letter and the Circular.

3 THE PROPOSED ACQUISITION

3.1 Information on the Target

Information on the Target has been extracted from Section 3.3 of the Circular and is set out in italics below.

The Target is a private limited company limited by shares incorporated in Malaysia on 23 September 2004, having its registered address at 17th Floor, Menara Atlan, 161B Jalan Ampang, 50450 Kuala Lumpur, Malaysia. The Target has an issued and paid-up share *capital of RM37,700,000 comprising 37,700,000 ordinary shares. As at the Latest Practicable Date, the Vendor is the sole shareholder of the Target and owns the Sale Shares representing the entire issued and paid-up share capital of the Target.*

As at the Latest Practicable Date, the directors of the Target are Dato' Sri Adam Sani bin Abdullah, our Non-Executive Chairman, Khoo Chun Keong and Lee Sze Siang, our Executive Director.

The Target is principally engaged in business activity of investment holding. As at the Latest Practicable Date, the Target has five (5) subsidiaries. Please refer to Section 3.4 of the Circular for more information on the Target Group.

3.2 Information on the Vendor

Information on the Vendor has been extracted from Section 3.2 of the Circular and is set out in italics below.

The Vendor is a company incorporated under the laws of Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, having its registered address at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur, Malaysia. It is principally engaged in the business of investment holding and the provision of management, financial, technical, and other ancillary services.

As at the Latest Practicable Date, the Vendor is the sole shareholder of the Target and holds the Sale Shares representing the entire issued and paid-up share capital of the Target. The Vendor is also a controlling Shareholder, holding a direct interest in an *aggregate of 905,028,113 shares of the Company, representing approximately 75.53% of the Company's issued shares. Accordingly, the Vendor is regarded as an interested person of the Company under Rule 904(4)(a) of the Listing Manual.*

Save as disclosed above and in Section 7 of this Circular, and except for the provision of management services by the Vendor's wholly owned subsidiary to the Company, pursuant to which the management fees were agreed upon by the parties, the Vendor has no other business relationship or dealings, with the Company, its Directors, or, to the best of the Company's knowledge, its Substantial Shareholders.

As at the Latest Practicable Date, and save as disclosed, the Vendor does not have any other direct or indirect interest in the shares of the Company.

3.3 Principal terms of the Proposed Acquisition

The detailed terms of the SSA have been set out in Section 3.7 of the Circular. A summary of the salient terms is set out below:

(i) Purchase Consideration for the Proposed Acquisition

The total consideration for the Proposed Acquisition is RM175,000,000 ("**Purchase Consideration**"), which shall be satisfied in cash, arrived at on a willing buyer and willing seller basis.

The Purchase Consideration shall be paid in the following manner:

(a) *Refundable Deposit*

Upon execution of the SSA, a refundable sum of RM17,500,000, representing 10% of the Purchase Consideration (“**Deposit**”) shall be paid by the Company to the Vendor to be dealt with in accordance with clause 2.4 of the SSA.

(b) *Balance Purchase Consideration*

A sum of RM157,500,000, representing 90% of the Purchase Consideration (“**Balance Purchase Consideration**”), shall be paid to the Vendor on the date of Completion of the sale and purchase of the Sale Shares in accordance with the SSA.

The Vendor shall place the Deposit in an interest-bearing account maintained with a licensed financial institution in Malaysia on the same day the Deposit is received, or, if that is not practicable, no later than the next business day following receipt of the Deposit. The Vendor shall notify the Company in writing upon such placement, providing details of the account and evidence of the same. Any interest accrued on the Deposit shall be dealt with in accordance with clause 3.5 of the SSA. As at the Latest Practicable Date, the Deposit has been paid by the Company to the Vendor and has been placed by the Vendor in an interest-bearing account maintained with a Licensed Financial Institution.

(ii) Conditions Precedent

Completion shall be conditional upon the fulfilment (or waiver, as the case may be) of, *inter alia*, the following conditions precedent specified in the SSA (the "**Conditions Precedent**"):

(a) The approval by the Shareholders of the Company for the Proposed Acquisition as an interested person transaction and a major transaction and the Proposed Diversification, as required under the Listing Manual;

(b) The approval by the shareholders of the Vendor for the disposal of the Sale Shares in accordance with terms of the SSA and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

(c) All third-party consent and permit having been obtained and remaining valid and effective up till and including the Completion, and where any such third-party consent and permit is subject to conditions, such conditions being satisfactory to the Company in its reasonable discretion and being fulfilled, with copies of all such third-party consent and permit to be provided to the Company promptly upon receipt;

(d) The results of a legal, financial and tax due diligence exercise by the Company and/or its professional advisers on the financial, legal, contractual, tax and prospects of the Target Group and the titles held by the Target Group in relation to the properties and assets owned by the Target Group which are reasonably satisfactory to the Company and its advisers in their sole and absolute discretion;

(e) There having been no material adverse change to the business, operations, assets, financial condition, turnover or prospects of the Target Group prior to the Completion; and

(f) The representations and warranties of the Company and the Vendor set out in the SSA being true, accurate and correct in all material respects as if made on the Completion Date (as defined below), with references to the then existing circumstances, and the Company and the Vendor having performed in all material respects of all of their obligations under the SSA which are required to be performed on or before the Completion Date.

The due diligence exercise conducted by the Company and/or its professional advisers, as referred to in Section 3.7(c)(iv) of the Circular, has been completed as at the Latest Practicable Date, and the results were satisfactory to the Group. As at the Latest Practicable Date, there has been no material adverse change to the business, operations, assets, financial condition, turnover, or prospects of the Target Group. However, if any such material adverse change were to occur prior to Completion, it would be attributable to the failure of the Vendor. In such a case, the Vendor shall refund the Deposit, together with any interest accrued thereon, to the Company in accordance with the provisions set out below.

Notwithstanding anything to the contrary in the SSA, the Company and the Vendor may extend the long-stop date (being four (4) months from the date of the SSA or such extended date as may be mutually agreed between the Vendor and the Company in writing) ("**Long-Stop Date**") and the Completion Date by mutual agreement in writing.

Subject to clause 3.4 of the SSA, in the event any Condition Precedent is not fulfilled (or otherwise waived by the Company) by the Long-Stop Date, the SSA shall lapse and determine and no party shall have any claim against the other party. In such event:

(a) if the failure to fulfil the relevant Condition Precedent is attributable to the Vendor, the Vendor shall refund the Deposit, together with interest accrued thereon (calculated based on the actual interest earned from the placement of the Deposit in an interest-bearing account maintained by the Vendor with the Licensed Financial Institution until (but excluding) the date of its refund to the Company), to the Company. Such refund shall be made within fourteen (14) days from the date of termination of the SSA, without any set-off, counterclaim or deduction whatsoever; or

(b) if the failure to fulfil the relevant Condition Precedent is attributable to the Company, the Vendor shall refund the Deposit (without interest and without any set-off, counterclaim or deduction whatsoever) to the Company within fourteen (14) days from the date of termination of the SSA.

(iii) Completion

Subject to the Condition Precedents being fulfilled or waived in accordance with the terms of the SSA, Completion shall take place on the date falling fifteen (15) business days after the fulfilment or waiver of the last of the Conditions Precedent (excluding those Conditions Precedent which are required to be fulfilled up to and including Completion), or such other date as may be agreed in writing between the Vendor and the Company ("**Completion Date**").

4 EVALUATION OF THE PROPOSED ACQUISITION

In our evaluation of the Proposed Acquisition, we have given due consideration to the following factors:

(a) the rationale for the Proposed Acquisition;

(b) the historical financial performance and financial position of the Target Group;

(c) assessment of the Purchase Consideration in comparison with the market value of 100% of the issued and paid-up share capital of the Target Group as assessed by the Independent Valuer;

(d) assessment of terms of the Proposed Acquisition against the broadly comparable listed companies;

(e) the *pro forma* financial effects of the Proposed Acquisition; and

(f) other relevant considerations.

4.1 Rationale for the Proposed Acquisition

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisition. Nevertheless, we have reviewed the Company's rationale for the Proposed Acquisition set out in Section 3.10 of the Circular, which has been extracted and set out in italics below.

The Proposed Acquisition represents a strategic initiative by the Group to diversify beyond its Existing Business. The Group operates under the brand name "ZON" and is recognised as one of the Malaysia's largest multichannel duty-free and duty-paid retail brands, serving both Malaysians and international customers at major entry and exit points across Peninsular Malaysia. The Group operates retail outlets in various regions, offering a wide range of premium international brands, including imported duty-free beverages, tobacco products, chocolates, confectionery, perfumes, cosmetics, and souvenirs. While the duty-free segment continues to be a key revenue contributor, the Board acknowledges the need to mitigate concentration risk and enhance the Group's long-term resilience by expanding into business sectors that is able to provide stable recurring income.

The Target Group has a significant presence in the automotive parts manufacturing industry in Malaysia, supported by well-equipped production facilities, in-house engineering capabilities and long-standing customer relationships. The Target Group is also strengthening collaborations with its technical partner across the EV value chain and actively exploring the expansion of its manufacturing capabilities to support the national aspiration of EV production. To further enhance its position, the Target Group is seeking technical assistance and joint venture partnerships with foreign companies to accelerate entry into the EV segment. These initiatives aim to ensure the Target Group remains competitive and well positioned in the evolving market, while complying with global regulatory standards and advancing its sustainability goals.

Through the Proposed Acquisition, the Group will enter the automotive parts manufacturing industry in Malaysia, a sector with strong fundamentals and recurring demand. The Target Group's established track record with OEM clients, along with its strategic initiatives to expand into the EV segment, presents a compelling platform for future growth. The Proposed Acquisition is expected to enhance the Group's operational scale, broaden its earnings base, and expand its geographic footprint, thereby creating long-term value for Shareholders.

4.2 **Historical Financial Performance and Financial Position of the Target Group**

Historical financial performance of the Target Group

A summary of the selected items of the audited consolidated financial statements of the Target Group for the financial years ended 28 February 2023 ("**FY2023**"), 29 February 2024 ("**FY2024**") and 28 February 2025 ("**FY2025**"), as well as the unaudited consolidated financial statements of the Target Group for the three (3)-month financial periods ended 31 May 2024 ("**1Q2025**") and 31 May 2025 ("**1Q2026**") is set out below.

	Audited			Unaudited	
(RM'000)	**FY2023**	**FY2024**	**FY2025**	**1Q2025**	**1Q2026**
Revenue	219,609	261,286	251,604	66,509	56,532
Gross profit	31,972	36,280	42,119	10,878	9,210
Gross profit margin	14.6%	13.9%	16.8%	16.4%	16.3%
Other income	1,471	2,851	1,188	857	298
Profit before tax	20,840	24,313	30,959	8,162	6,592
Net profit after tax	16,484	20,032	22,984	7,050	4,738
Profit attributable to owners of the parent	14,759	18,530	20,420	6,183	4,405

Source: The Target Group's audited consolidated financial statements for FY2023, FY2024 and FY2025 and the unaudited consolidated financial statements for 1Q2025 and 1Q2026.

FY2024 vs FY2023

The Target Group's revenue increased by RM41.7 million or 19.0% from RM219.6 million in FY2023 to RM261.3 million in FY2024. The increase was mainly due to an increase in orders received from customers. Gross profit increased by RM4.3 million or 13.5% from RM32.0 million in FY2023 to RM36.3 million in FY2024, in line with the increase in revenue during the period. However, gross profit margin declined from 14.6% in FY2023 to 13.9% in FY2024 due to (i) product mix with lower margin sales, (ii) higher basic salary in FY2023 arising from the implementation of the minimum wage order effective 1 May 2022, with the full-year impact reflected in FY2024, and (iii) an increase in the TNB Imbalance Cost Pass-Through rate from 2 sen/kWh to 20 sen/kWh with effect from January 2023.

The Target Group recorded an increase in other income, from RM1.5 million in FY2023 to RM2.9 million in FY2024, due to the reversal of RM1.8 million in accrued legal and professional fees related to a corporate exercise that was subsequently abandoned.

Overall, the Target Group reported profit attributable to owners of the parent of RM18.5 million for FY2024, representing an increase of RM3.8 million or 25.6% as compared to the profit attributable to owners of the parent of RM14.8 million for FY2023.

FY2025 vs FY2024

The Target Group's revenue decreased by RM9.7 million or 3.7% to RM251.6 million in FY2025, compared to RM261.3 million in FY2024. The decrease in revenue was mainly attributed to a decrease in orders received from customers. However, despite the decrease in revenue, gross profit increased by RM5.8 million or 16.1% from RM36.3 million in FY2024 to RM42.1 million in FY2025 mainly due to a decrease in material consumption as a result of strengthening of Ringgit Malaysia compared to Japanese Yen and United States Dollar and improved production efficiency due to automation of production processes. Consequently, gross profit margin increased from 13.9% in FY2024 to 16.8% in FY2025.

The Target Group recorded a decrease in other income, from RM2.9 million in FY2024 to RM1.2 million in FY2025, due to the absence of one-off reversal of legal and professional fees recorded in FY2024.

Overall, the Target Group reported profit attributable to owners of the parent of RM20.4 million for FY2025, representing an increase of RM1.9 million or 10.2% as compared to the profit attributable to owners of the parent of RM18.5 million for FY2024.

1Q2026 vs 1Q2025

The Target Group's revenue decreased by RM10.0 million or 15.0% from RM66.5 million in 1Q2025 to RM56.5 million in 1Q2026. This decrease was mainly due to a decrease in orders received from customers. In line with the decrease in revenue, gross profit decreased by RM1.7 million or 15.3% from RM10.9 million in 1Q2025 to RM9.2 million in 1Q2026. Gross profit margin remained relatively consistent at 16.3% in 1Q2026.

The Target Group recorded a decrease in other income, from RM0.9 million in 1Q2025 to RM0.3 million in 1Q2026, due to lower gain in the foreign exchange recorded in the current quarter as a result of the weakening of Ringgit Malaysia compared to Japanese Yen and United States Dollar.

Overall, the Target Group reported profit attributable to owners of the parent of RM4.4 million for 1Q2026, representing a decrease of RM1.8 million or 28.8% as compared to the profit attributable to owners of the parent of RM6.2 million for 1Q2025.

Historical Financial Position of the Target Group

	Audited			**Unaudited**
(RM'000)	**As at 28 February 2023**	**As at 29 February 2024**	**As at 28 February 2025**	**As at 31 May 2025**
Non-current assets	70,043	73,389	76,022	80,949
Current assets	94,583	108,748	87,677	87,252
Total assets(1)	**164,626**	**182,137**	**163,699**	**168,201**
Non-current liabilities	16,052	12,494	14,224	14,388
Current liabilities	56,580	78,301	58,593	58,193
Total liabilities	**72,632**	**90,795**	**72,817**	**72,581**
Equity attributable to owners of the parent	80,260	80,800	80,164	84,569
Non-controlling interests	11,734	10,542	10,718	11,051
Total equity	**91,994**	**91,342**	**90,882**	**95,620**

Source: The Target Group's audited consolidated financial statements for FY2023, FY2024 and FY2025 and the unaudited consolidated financial statements for 1Q2026.

Note:

(1) *Total assets of the Target Group as at 28 February 2025 and 31 May 2025 comprised:*

(RM'000)	*As at 28 February 2025 (Audited)*	*As at 31 May 2025 (Unaudited)*
Non-current assets		
Property, plant and equipment	*72,130*	*77,386*
Investment properties	*2,160*	*2,150*
Right-of-use assets	*1,337*	*1,190*
Other investments	*136*	*136*
Deferred tax assets	*259*	*87*
	76,022	***80,949***
Current assets		
Inventories	*27,803*	*24,476*
Trade and other receivables	*24,262*	*30,758*
Prepayments	*724*	*706*
Tax recoverable	*3,517*	*3,614*
Cash and bank balances	*29,022*	*26,041*
Capitalised contract costs	*2,349*	*1,657*
	87,677	***87,252***
Total assets	***163,699***	***168,201***

The discrepancies in the table above between the total sum of amounts listed and the totals shown are due to rounding.

The non-current assets mainly comprise property, plant and equipment of the Target Group, which are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Accordingly, the fair value of the properties has not been reflected in the financial information mentioned above.

As at 31 May 2025

The total assets of the Target Group as 31 May 2025 amounted to RM168.2 million, comprising mainly property, plant and equipment of RM77.4 million (46.0%), trade and other receivables of RM30.8 million (18.3%), cash and bank balances of RM26.0 million (15.5%) and inventories of RM24.5 million (14.6%).

The total liabilities of the Target Group as at 31 May 2025 amounted to RM72.6 million, comprising mainly trade and other payables of RM48.2 million (66.4%) and loans and borrowings of RM17.4 million (24.0%).

The Target Group recorded positive working capital of RM29.1 million, and a net asset position excluding non-controlling interests of RM84.6 million as at 31 May 2025.

4.3 Assessment of the Purchase Consideration in comparison with the market value of 100% of the issued and paid-up share capital of the Target Group as assessed by the Independent Valuer

In connection with the Proposed Acquisition, the Independent Valuer was commissioned by the Company to assess and determine the market value of 100% of the issued and paid-up share capital of the Target Group as at the Valuation Date of 31 May 2025.

As set out in the Independent Valuation Report, the Independent Valuer has conducted its Valuation on the basis of "Market Value" which is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Independent Valuer has adopted the Income Approach as the primary valuation methodology, with the Market Approach adopted as a cross-check in deriving the valuation.

(i) <u>Income Approach</u>

The Income Approach provides an indication of value by converting projected cash flow to a single current value. Under the Income Approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

The rationale for adopting the Income Approach lies in the present value rule, i.e. the value of any asset or enterprise value is the present value of expected future cash flows, discounted at a rate appropriate to the risk of the cash flows not being realised. The Independent Valuer considered the use of the Income Approach as the primary approach to be appropriate as the Target Group had ongoing business and operations with the ability to generate probable future cash flows.

(ii) <u>Market Approach</u>

The Market Approach provides an indication of value by comparing the asset and/or liability with identical or comparable (that is similar) asset and/or liability for which price information is available. The Market Approach often uses market multiples derived from a set of comparables, each with different multiples. The selection of the appropriate multiple within the range may require adjustment and judgement, considering qualitative and quantitative factors.

Under the Market Approach, the Independent Valuer has considered the enterprise value/earnings before interest, tax, depreciation and amortisation ("**EV/EBITDA**") multiple in the valuation. While the multiple provides a useful benchmark and point of reference, the differences in size, capital nature of business and operations with the comparable companies introduce variability in the results. Accordingly, the Market Approach has been used as a reference to cross-check the indication of value derived from the Income Approach.

Based on the Independent Valuation Report, the Independent Valuer is of the opinion that the market value of the Target Group as at the Valuation Date based on the Income Approach is in the range of RM167.7 million to RM183.5 million (rounded). In this regard, the Purchase Consideration of RM175.0 million falls within the range of the Valuation, and represents a premium of RM7.3 million or approximately 4.4% over the lower end of the market value range, and a discount of RM8.5 million or approximately 4.6% to the higher end of the market value range as ascribed by the Independent Valuer.

It should be noted that the Valuation of the Target Group is based on various assumptions and limitations as set out in the Independent Valuation Report, and Shareholders are advised to read the above in conjunction with the Independent Valuation Report in its entirety. The Summary Valuation Report is set out in Appendix A to the Circular.

4.4 **Assessment of terms of the Proposed Acquisition against the broadly comparable listed companies**

For the purpose of our analysis, we have benchmarked the valuation statistics represented by the Purchase Consideration of the Target Group against other publicly listed companies which primarily generate revenue from the manufacturing and supply of automotive components in Malaysia (the "**Broadly Comparable Companies**").

We have discussed with the Management to arrive at the list of Broadly Comparable Companies, and we wish to highlight that the list of Broadly Comparable Companies is not exhaustive and it should be noted that there is no listed company that is directly comparable with the Target Group in terms of, *inter alia*, scope of business activities, business model, customer base, size of operations, asset base, geographical markets of activities, track record, financial performance and position, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. Any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Target Group as at the Latest Practicable Date.

Relevant information has been extracted from Bloomberg L.P., as well as publicly available annual reports and/or public announcements of the Broadly Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

A brief description of the Broadly Comparable Companies is set out below:

Name of Comparable Company	Listing location	Business Activities / Description
APM Automotive Holdings Berhad ("**APM Automotive**")	Malaysia	APM Automotive is a leading manufacturer and distributes automotive parts and components including air-conditioners, electrical components, coil springs, metal component parts, PVC body side moulding, shock absorbers, tapered leaf springs, vehicle interior linings, seats, radiators, and other automotive parts.
MCE Holdings Berhad ("**MCE Holdings**")	Malaysia	MEC Holdings and its subsidiaries are a leading Original Equipment Manufacturer ("**OEM**") specialising in the full spectrum of design, manufacture and supply of automotive electronics and mechatronic parts for both Malaysian and regional markets.
Globaltec Formation Berhad ("**Globaltec**")	Malaysia	Globaltec provides multidisciplinary manufacturing services/solutions comprising precision machining, stamping and tooling, moulding, assembly, and manufacturing primarily for multinational corporations and reputable local brand names in Malaysia, China, Indonesia and Taiwan. Globaltec's integrated manufacturing segment comprises precision machining, stamping and tooling, and automotive components design and manufacturing.
EP Manufacturing Berhad ("**EP Manufacturing**")	Malaysia	EP Manufacturing is involved in the manufacturing of metal based and plastic based automotive components, and distribution of automotive parts and vehicle assembly.
Sapura Industrial Berhad ("**SIB**")	Malaysia	SIB is an investment holding company which manufactures automotive brake components. Evolving from precision metal engineering to advanced non-metal and hybrid technologies, SIB now supports the automotive, industrial tech, mobility, and

Name of Comparable Company	Listing location	Business Activities / Description
		healthcare sectors.
SMIS Corporation Berhad ("**SMIS Corporation**")	Malaysia	SMIS Corporation is principally engaged in manufacturing and trading of carpet (automotive interior furnishing) of all descriptions, automotive braking components and motorcycle components with a lesser portion of business generated from trading of industrial spares.
KHPT Holdings Berhad ("**KHPT Holdings**")	Malaysia	KHPT Holdings is principally involved in manufacturing and sale of automotive parts and components, comprising body parts, seat structures and other parts (i.e. seat structures, engine parts and absorber parts)

Source: Bloomberg L.P. and the annual reports of the respective Broadly Comparable Companies

We have used the following valuation measures in our analysis:

Valuation Measure	Description
Price-to-earnings Ratio ("**P/E**")	This ratio is computed by dividing the market capitalisation of a company by its trailing 12-month earnings attributable to shareholders. The P/E is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
Enterprise value-to-earnings before interest, tax, depreciation and amortisation expenses	EV or enterprise value is the sum of the company's market capitalisation, preferred equity, perpetual bonds, minority interests, short and long term debt (inclusive of finance leases) less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, tax, depreciation and amortisation, inclusive of the share of associates' and joint ventures' income. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting policy decisions. The historical EV/EBITDA ratio illustrates the market value of a company's business relative to its historical consolidated pre-tax operating cash flow performance, and provides an indication of current market valuation relative to operating performance. Unlike the P/E ratio, the EV/EBITDA ratio does not take into account the capital structure of a company, its interest, taxation, depreciation and amortisation expenses.
Price-to-NAV ratio ("**P/NAV**")	This ratio illustrates the market price of a company's shares relative to the NAV per share. The NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests. The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value and repayment of its liabilities and obligations, with the balance available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company. Comparisons of companies using NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.

Valuation Measure	Description
Price-to-net tangible assets ratio ("**P/NTA**")	The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value ("**NTA**") of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible asset backing as measured in terms of its NTA value. The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.

The following table sets out the valuation statistics of the Target Group (as implied by the Purchase Consideration) with those of the Broadly Comparable Companies:

Broadly Comparable Company	Market capitalisation(1) (RM'million)	P/E(2) (times)	EV/EBITDA(2) (times)	P/NAV(2) (times)	P/NTA(2) (times)
APM Automative	621.7	7.27	2.48	0.44	0.45
MCE Holdings	226.6	9.20	7.09	1.33(3)	1.33(3)
Globaltec	138.6	14.69	6.82	0.50	0.56
EP Manufacturing	111.7	9.28	4.78	0.31	0.40
SIB	56.8	6.53	3.40	0.48	0.48
SMIS Corporation	28.5	46.81(3)	1.00	0.36	0.36
KHPT Holdings	46.3	21.83	3.23	0.81	0.81
Maximum		**21.83**	**7.09**	**0.81**	**0.81**
Mean		**11.47**	**4.11**	**0.48**	**0.51**
Median		**9.24**	**3.40**	**0.46**	**0.47**
Minimum		**6.53**	**1.00**	**0.31**	**0.36**
Target Group (as implied by the Purchase Consideration)	**175.0**	**7.88(4)**	**4.45(5)**	**2.07(6)**	**2.07(6)**

Source: Bloomberg L.P., annual reports and latest publicly available financial information of the respective Broadly Comparable Companies as at the Latest Practicable Date

Notes:

(1) Market capitalisation for each of the Broadly Comparable Companies is calculated based on their respective outstanding number of shares (excluding treasury shares) and the closing price of each of the Broadly Comparable Companies' shares as at the Latest Practicable Date, or the last closing price if there are no trades on the Latest Practicable Date, as extracted from Bloomberg L.P..

(2) The ratios of the Broadly Comparable Companies are computed based on their respective annual reports and/or latest announced results of the Broadly Comparable Companies as at the Latest Practicable Date.

(3) Considered as outliers and excluded for the purposes of calculating the respective maximum, mean, median and minimum P/E, P/NAV and P/NTA ratios.

(4) The Target Group's P/E is computed based on the Purchase Consideration and the Target Group's trailing 12-month profit attributable to owners of the parent.

(5) The Target Group's EV/EBITDA is computed based on the EV as at the Latest Practicable Date (as implied by the Purchase Consideration) over the trailing 12-month EBITDA of the Target Group.

(6) The P/NAV and P/NTA is computed based on the Purchase Consideration and the Target Group's NAV and NTA.

Based on the above, we note that:

(i) the P/E of the Target Group as implied by the Purchase Consideration of 7.88 times is within the range of, and below the mean and median of the P/E ratios of the Broadly Comparable Companies;

(ii) the EV/EBITDA of the Target Group as implied by the Purchase Consideration of 4.45 times is within the range of, and above the mean and median of the EV/EBITDA ratios of the Broadly Comparable Companies; and

(iii) the P/NAV ratio and P/NTA ratio of the Target Group as implied by the Purchase Consideration of 2.07 times are above the P/NAV ratios and P/NTA ratios of the Broadly Comparable Companies.

4.5 The *pro forma* financial effects of the Proposed Acquisition

The *pro forma* financial effects of the Proposed Acquisition on the Group are computed based on the assumptions set out in Section 5 of the Circular. Shareholders should note that the *pro forma* financial effects presented in the Circular are for illustrative purposes only, and do not reflect the actual financial results or the future financial performance and condition of the Group, the Target Group and, following Completion, the enlarged group comprising the Group and the Target Group.

In summary, we note the following:

(a) had the Proposed Acquisition been completed on 28 February 2025, the NTA per Share as at 28 February 2025 will decrease by approximately 22.82% from 30.76 sen to 23.74 sen, mainly due to the reduction of cash balances by the Purchase Consideration, partially offset by the consolidation of the NTA of the Target Group as at 28 February 2025; and

(b) had the Proposed Acquisition been completed on 1 March 2024, the earnings per Share for FY2025 will increase by approximately 38.26% from 4.47 sen to 6.18 sen due to the consolidation of the net profit attributable to the Target Group for FY2025.

4.6 Other relevant considerations

4.6.1 Risk Factors

While we have, in the course of our evaluation, assessed the financial terms of the Proposed Acquisition and considered the transaction from the perspective of whether such terms are on normal commercial terms and prejudicial to the interests of the Company and minority Shareholders, we have not examined the underlying risks factors in relation to the Proposed Acquisition as well as the business prospects of the Target Group following the Completion of the Proposed Acquisition, which shall be the responsibility of the Directors.

The risk factors in connection with the Proposed Acquisition, including risks relating to the entry into the New Business and Proposed Diversification, are set out in Section 2.6 of the Circular. Should any of the considerations and uncertainties highlighted in the aforementioned risk factors develop into actual event, the business, financial condition or results of the operations of the Group and the Target Group could be materially adversely affected.

4.6.2 Rationale for the Proposed Diversification

In addition to the rationale for the Proposed Acquisition as set out in Section 4.1 of this IFA Letter, we have also considered, *inter alia*, the rationale for the Proposed Diversification, as set out in Section 2.3 of the Circular and summarised below:

(a) additional stable and recurrent revenue streams;

(b) diversification of business;

(c) enhancing Shareholders' value;

(d) prospects for growth potential in the automotive component parts manufacturing industry; and

(e) flexibility to enter into transactions relating to the New Business in the ordinary course of business.

4.6.3 Abstention from voting

Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, and not accept appointments as proxies, unless specific instructions as to voting are given.

As set out in Sections 4.2 and 7.3 of the Circular, the Vendor, Dato' Sri Adam Sani bin Abdullah and each of their associates, shall abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Proposed Acquisition at the EGM. In addition, Dato' Sri Adam Sani bin Abdullah shall abstain from all decisions of the Directors in relation to the Proposed Acquisition.

As set out in Section 7.4 of the Circular, Mr Chew Soo Lin shall voluntarily abstain from voting (either in person or by proxy) on the resolutions relating to the Proposed Acquisition at the EGM, and shall also abstain from all decisions of the Directors in relation to the Proposed Acquisition.

As set out in Section 7.5 of the Circular, Mr Lee Sze Siang shall abstain from voting (either in person or by proxy) in respect of the resolutions relating to the Proposed Acquisition at the EGM, and from all decisions of the Directors in relation to the Proposed Acquisition.

4.6.4 Outlook of the Malaysian and global automotive industry

We note the following outlook set out in the Vendor's unaudited interim financial results for the three (3)-month financial period ended 31 May 2025:

"The Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. On a quarter-on-quarter, seasonally adjusted basis, growth expanded by 0.7% (4Q 2024: -0.2%). Overall, Malaysia's economy is expected to remain resilient in 2025, but with slower growth and potential downside risks due to global uncertainties and potential external pressures. The Group

anticipates that the business environment in which it operates will remain challenging throughout the financial year 2026. This is largely due to rising product and operating costs, further compounded by persistent inflationary pressures and a notable shift in consumer spending behaviour toward a more prudent and conservative approach amid ongoing economic uncertainties.

Given the aforesaid, the Group's Automotive segment under UI Group is strengthening collaborations with its technical partner across the electric vehicles ("EV") value chain and actively exploring the expansion of its manufacturing capabilities to support the national aspiration of EV production. To further enhance its position, UI Group is seeking technical assistance and joint venture partnerships with foreign companies to accelerate entry into the EV segment. These initiatives aim to ensure the Group remains competitive and well-positioned in the evolving market, while complying with global regulatory standards and advancing its sustainability goals.

Accordingly, the Group will persist in its endeavours to improve operational efficiency and effectiveness. This includes implementing rigorous cost control measures, optimising resource allocation and refining strategic planning while simultaneously devising strategies to adapt and navigate the constantly evolving business landscape. The overarching goal is to ensure that the Group's core businesses remain resilient and sustainable in the face of these challenges in the remaining quarters of the financial year ending 28 February 2026. Concurrently, the Group remains committed to actively exploring and pursuing new business opportunities aimed at driving growth and long-term value creation for shareholders."

4.6.5 Source of funds

The Proposed Acquisition is expected to be funded by internal resources of the Group including the proceeds from the placement exercises undertaken by the Company in 2016 and 2017. No external financing will be required for the Completion.

5 OUR OPINION

In arriving at our opinion, we have taken into account the following factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Acquisition:

(a) the rationale for the Proposed Acquisition;

(b) the historical financial performance and financial position of the Target Group;

(c) the Purchase Consideration of RM175.0 million falls within the range of the Valuation of RM167.7 million to RM183.5 million (rounded) of the Target Group as ascribed by the Independent Valuer;

(d) the P/E of the Target Group as implied by the Purchase Consideration of 7.88 times is within the range of, and below the mean and median of the P/E ratios of the Broadly Comparable Companies;

(e) the P/NAV ratio and P/NTA ratio of the Target Group as implied by the Purchase Consideration of 2.07 times are above the P/NAV ratios and P/NTA ratios of the Broadly Comparable Companies;

(f) the EV/EBITDA of the Target Group as implied by the Purchase Consideration of 4.45 times is within the range of, and above the mean and median of the EV/EBITDA ratios of the Broadly Comparable Companies;

(g) the *pro forma* financial effects of the Proposed Acquisition; and

(h) other relevant considerations as set out in Section 4.6 of this IFA Letter.

We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Having carefully considered the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use by the Independent Directors in connection with their consideration of the Proposed Acquisition as an interested person transaction, but any recommendations made by the Independent Directors in respect of the Proposed Acquisition shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Proposed Acquisition as an interested person transaction) at any time and in any manner without the prior written consent of ZICO Capital.

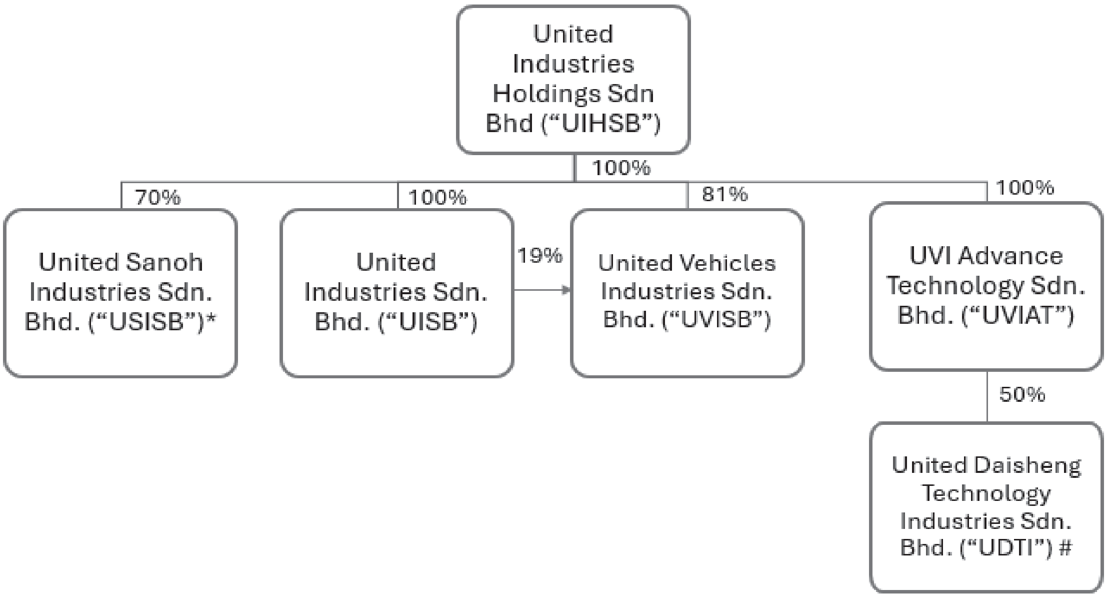
This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Nathaniel Tan Jing Sheng
Chief Executive Officer

Leong Huey Miin
Managing Director, Corporate Finance

As at the Latest Practicable Date, the corporate structure of the Target Group is as follows:

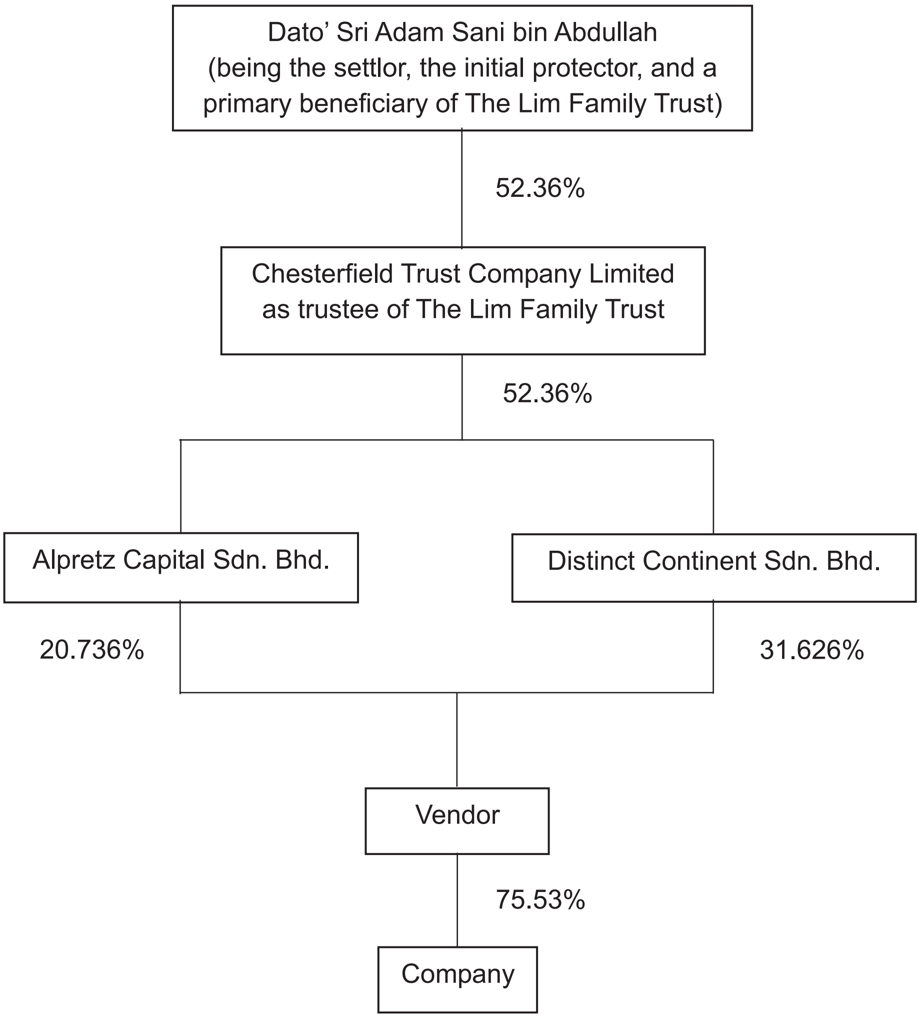


Notes:

*The remaining 30% of USISB's total issued ordinary share is held by the following unrelated corporate shareholders to the Company and the Vendor:
(i) Sanoh Industrial Co., Ltd (25%)
(ii) Shinsho Corporation (5%)

UDTI is a joint venture company established by UVIAT and DaiSheng Technology (Suzhou) Co., Ltd ("**DTSC**"). UVIAT and DTSC each hold a 50% equity interest in UDTI and UVIAT retains control over UDTI by being entitled to appoint and maintain three nominees on UDTI's board of directors, compared to DTSC's entitlement to two nominees.

APPENDIX D – RELATIONSHIP MAP OF THE COMPANY, VENDOR, AND DATO' SRI ADAM SANI BIN ABDULLAH



DUTY FREE INTERNATIONAL LIMITED

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No.: 200102393E)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Duty Free International Limited (the "**Company**") will be held at Meeting Room 311, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Tuesday, 28 October 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without any modification), the following resolution:

*Unless otherwise defined, all capitalised terms in this Notice of EGM shall have the same meanings ascribed to them in the circular to Shareholders dated 29 September 2025 issued by the Company (the "**Circular**").*

Note on inter-conditionality of resolutions*: Shareholders should note that the passing of Resolution 1 (in respect of the Proposed Diversification) and Resolution 2 (in respect of the Proposed Acquisition as a major transaction and as an interested person transaction) are conditional upon the passing of one another. This means that if any of the Resolutions 1 or 2 is not approved, none of these Resolutions 1 and 2 will be passed.*

ORDINARY RESOLUTION 1 – THE PROPOSED DIVERSIFICATION

RESOLVED THAT:

(a) Approval be and is hereby given for the Company to expand the Group's Existing Business and for the diversification by the Group of its Existing Business to include the New Business (as described in Section 2 of the Circular).

(b) The Group be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time, any assets, businesses, investments shares and/or interests in any entity that is related to the New Business on such terms and conditions as the Directors deem fit, and to enter into any other contracts, agreements and undertakings as the Directors may in their absolute discretion consider necessary, desirable or expedient to undertake in relation to the New Business.

(c) The Directors or any of them be and are hereby authorised to complete and do all acts and things (including, without limitation, enter into all transactions, arrangements and agreements and approve, sign, execute and deliver all such documents or agreements which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any document, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) and do all deeds and things as they or each of them may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to the matters contemplated by this Ordinary Resolution and the Proposed Diversification, and implement any of the foregoing as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company; and

(d) Any acts and things done or performed, and/or any agreements and documents signed, executed, sealed and/or delivered by a Director in connection with this resolution and the Proposed Diversification be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 2 – THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION AND AS AN INTERESTED PERSON TRANSACTION

RESOLVED THAT, subject to and contingent upon the passing of Resolution 1:

(a) For the purposes of Chapters 9 and 10 of the Listing Manual, approval be and is hereby given for the Company to enter into the Proposed Acquisition, in accordance with the terms and conditions of the SSA.

(b) The Directors or any of them be and are hereby authorised to complete and do all acts and things (including, without limitation, enter into all transactions, arrangements and agreements and approve, sign, execute and deliver all such documents or agreements which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any document, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) and do all deeds and things as they or each of them may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to the matters contemplated by this Ordinary Resolution and the Proposed Acquisition, and implement any of the foregoing as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company; and

(c) Any acts and things done or performed, and/or any agreements and documents signed, executed, sealed and/or delivered by a Director in connection with this resolution and the Proposed Acquisition be and are hereby approved, confirmed and ratified.

BY ORDER OF THE BOARD

Thum Sook Fun
Company Secretary
Singapore, 29 September 2025

IMPORTANT NOTES: -

Format of Meeting

1. The EGM will be held in physical format at the venue, date and time as stated above. Shareholders, including investors who hold shares through Central Provident Fund Investment Scheme ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**"), and (where applicable) duly appointed proxies or representatives will be able to ask questions and vote at the EGM by attending the EGM in person. **There will be no option for Shareholders to participate virtually.**

   Printed copies of this Notice of EGM, the accompanying Proxy Form and the form to request for a physical copy of the Circular ("**Request Form**") will be sent by post to members. These documents will also be published at the Company's corporate website at https://ir.dfi.com.sg/ and on the SGX-ST website at https://www.sgx.com/securities/company-announcements.

Appointment of proxy(ies)

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore (the "**Act**").

3. A proxy need not to be a member of the Company. A member may choose to appoint the Chairman of the EGM as his/her/its proxy.

4. The instrument appointing proxy must be signed by the appointor, or his attorney duly authorised in writing. Where the instrument appointing proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and attached together with the proxy form, falling which the proxy form may be treated as invalid.

5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members of the Company, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company. If no number is inserted, the instrument appointing a proxy, or proxies shall be deemed to relate held by you.

6. The instrument appointing a proxy or proxies must be submitted to the Company in the following manners by **11:00 a.m. on Saturday, 25 October 2025**, being not less than 72 hours before the time appointed for the EGM:

   (a) if submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, via email to srs.proxy@boardroomlimited.com.

   Members are strongly encouraged to submit the completed proxy forms electronically via email.

7. If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instruction as to voting for, against or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

8. CPF and SRS investors:

   (a) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM by **5:00 p.m. on Wednesday, 15 October 2025**.

9. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Act.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by the Depository to the Company.

11. Completion and submission of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the EGM if he/she so wishes. The appointment of proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed during the relevant instrument appointing a proxy(xies) to the EGM.

12. For purposes of the appointment of a proxy(ies) and/ or representative(s), the member(s)' and the proxy(ies)' or representative(s)' full name and full NRIC/passport number will be required for verification purposes, and the proxy(ies)' or representative(s)' NRIC/passport will need to be produced for sighting at registration at the EGM. This is so as to ensure that only duly appointed proxy(ies)/ representative(s) attend, speak and vote at the EGM. The Company reserves the right to refuse admittance to the EGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

Submission of Questions

13. Members and their proxy(ies) or representative(s) attending the EGM may ask questions related to the resolutions to be tabled for approval in person at the EGM.

14. Members, including CPF Investors and SRS Investors, may submit substantial and relevant questions relating to the resolutions to be tabled at the EGM in advance by **5:00 p.m. on Thursday, 16 October 2025**:

    (a) if submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

    (b) if submitted electronically, via email to srs.teamE@boardroomlimited.com.

15. When submitting questions by post or via email, members MUST provide their particulars as follows for verification purposes:

    (a) Full name (for individuals)/company name (for corporates) as per CDP/SRS account records;

    (b) National Registration Identity Card Number ("**NRIC**") or Passport Number (for individuals) / Company Registration Number (for corporates);

    (c) The manner in which the members hold shares in the Company (e.g. via CDP, CPF or SRS or etc);

    (d) Contact number; and

    (e) Email address.

16. The Company will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the EGM) received from members by **5:00 p.m. on Thursday, 16 October 2025** by publishing its responses to such questions on the Company's corporate website at https://ir.dfi.com.sg/ and on the SGX-ST website at https://www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time of the lodgement /receipt of the instruments appointing a proxy(ies). Where substantial and relevant questions submitted by members are unable to be addressed prior to the EGM, the Company will address them at the EGM. Where questions overlap, the Company may consolidate such questions and address them by topic. Consequently, some questions may not be individually addressed.

Access to Documents

17. The Circular, this Notice of EGM, the accompanying Proxy Form and the Request Form have been published and may be accessed at the Company's corporate website at https://ir.dfi.com.sg/ or on the SGX-ST website at https://www.sgx.com/securities/company-announcements.

18. A member who wishes to request for a printed copy of the Circular may do so by completing and submitting the Request Form by **5:00 p.m. on Thursday, 16 October 2025** in the following manner:

    (a) if submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

    (b) if submitted electronically, via email to srs.requestform@boardroomlimited.com.

Personal Data Privacy

"**Personal data**" in this notice of EGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 of Singapore, which includes the member's name and its proxy's and/or representative's name, address and NRIC/Passport number. Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and the proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes and retained for such period as may be necessary for the Company's verification and record purposes.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the EGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the EGM and any questions he/she may raise or motions he/ she proposes/seconds) may be recorded by the Company for such purposes.

PROXY FORM

DUTY FREE INTERNATIONAL LIMITED
(Company Registration Number: 200102393E)
(Incorporated in the Republic of Singapore)

PROXY FORM
EXTRAORDINARY GENERAL MEETING

IMPORTANT:
1. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS Investors.
2. CPF and SRS investors:
   (a) may vote at the Extraordinary General Meeting ("**EGM**") if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM by **5:00 p.m. on Wednesday, 15 October 2025**.
3. **Please read the notes overleaf which contain the instruction on, *inter alia*, the appointment of prox(ies).**

I/We*, ____________________ (Name) NRIC/Company/Passport No.* ____________________

of ____ (Address)

being a member/members* of **DUTY FREE INTERNATIONAL LIMITED** (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or* (*delete where appropriate)*

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing the person, or either or both persons referred to above, hereby appoint the Chairman of the Extraordinary General Meeting (the "**EGM**") as my/our* proxy/proxies* to attend, speak and vote for me/us* on my/our* behalf at the EGM of the Company to be held at Meeting Room 311, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, on Tuesday, 28 October 2025 at 11:00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for, against or abstain the resolutions to be proposed at the EGM as indicated below. If no specific direction as to voting is given or in the event of any matter arising at the EGM, *my/our*proxy/proxies will vote or abstain from voting at *his/her own discretion.

No.	**ORDINARY RESOLUTIONS**	**No. of Votes**		
		For#	**Against#**	**Abstain#**
1	The Proposed Diversification			
2	The Proposed Acquisition as a major transaction and as an interested person transaction			

^ *Note: Voting will be conducted by poll.*

If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies* to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that your proxy/proxies* is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies* may vote or abstain as the proxy/proxies* deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the EGM.*

Dated this __________ day of ______________ 2025

Total Number of Shares held

____
Signature of Member(s)
or Common Seal of Corporate Shareholder

**Delete where appropriate*

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of ordinary shares ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy, or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore (the "**Act**").

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not to be a member of the Company. A member may choose to appoint the Chairman of the EGM as his/her/its proxy.

4. The instrument appointing a proxy or proxies must be submitted to the Company by the following manners by **11:00 a.m. on Saturday, 25 October 2025**, being not less than 72 hours before the time appointed for the EGM:

   (a) if submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, via email to srs.proxy@boardroomlimited.com.

   Members are strongly encouraged to submit completed proxy forms electronically via email.

5. If a member wishes to appoint the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instruction as to voting for, against or abstentions from voting on, each resolution in the instrument appointing the Chairman of the EGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and attached together with the proxy form, falling which the proxy form may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Act.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

9. Completion and submission of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the EGM if he/she so wishes. The appointment of the proxy(ies) for the EGM will be deemed to be revoked if the member attends the EGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the EGM.

10. For purposes of the appointment of a proxy(ies) and/ or representative(s), the member(s)' and the proxy(ies)' or representative(s)' full name and full NRIC/passport number will be required for verification purposes, and the proxy(ies)' or representative(s)' NRIC/ passport will need to be produced for sighting at registration at the EGM. This is so as to ensure that only duly appointed proxy(ies)/ representative(s) attend, speak and vote at the EGM. The Company reserves the right to refuse admittance to the EGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 29 September 2025.