

ANNUAL REPORT 2026

LAPORAN TAHUNAN





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Corporate Profile and **OUR CORE BUSINESS**



Duty Free International Limited (“DFI” and together with its subsidiaries, the “Group”) is a diversified group engaged in the operations of duty-free retail businesses and the manufacture of automotive component parts following the acquisition of United Industries Holdings Sdn. Bhd. and its subsidiaries (“UIG”) on 31 October 2025.

The newly acquired automotive component parts manufacturing business has contributed to increased revenue since its acquisition, reinforcing the Group’s commitment to long-term, sustainable growth. This business segment is expected to become the core driver of the DFI Group going forward.

As for the duty-free retail segment, DFI remains one of the largest duty-free retail groups in Malaysia, with its established “The Zon” brand positioned as a premium retail concept at key entry and exit points, including northern Malaysia border checkpoints and seaport in Melaka.

DFI’s core focus is to strengthen its presence in the automotive component parts manufacturing

sector, marking a strategic shift towards higher-value manufacturing activities and capabilities while continuing to deliver an elevated duty-free retail experience. The Group is committed to operational excellence, continuous improvement and innovation, ensuring it meets the evolving demands of both industries.

Beyond its core businesses, DFI also owns the Black Forest Golf and Country Club and oil palm plantation assets. The combined land area of these assets exceeds 700 acres and is strategically located near the Malaysia-Thailand border at Bukit Kayu Hitam.

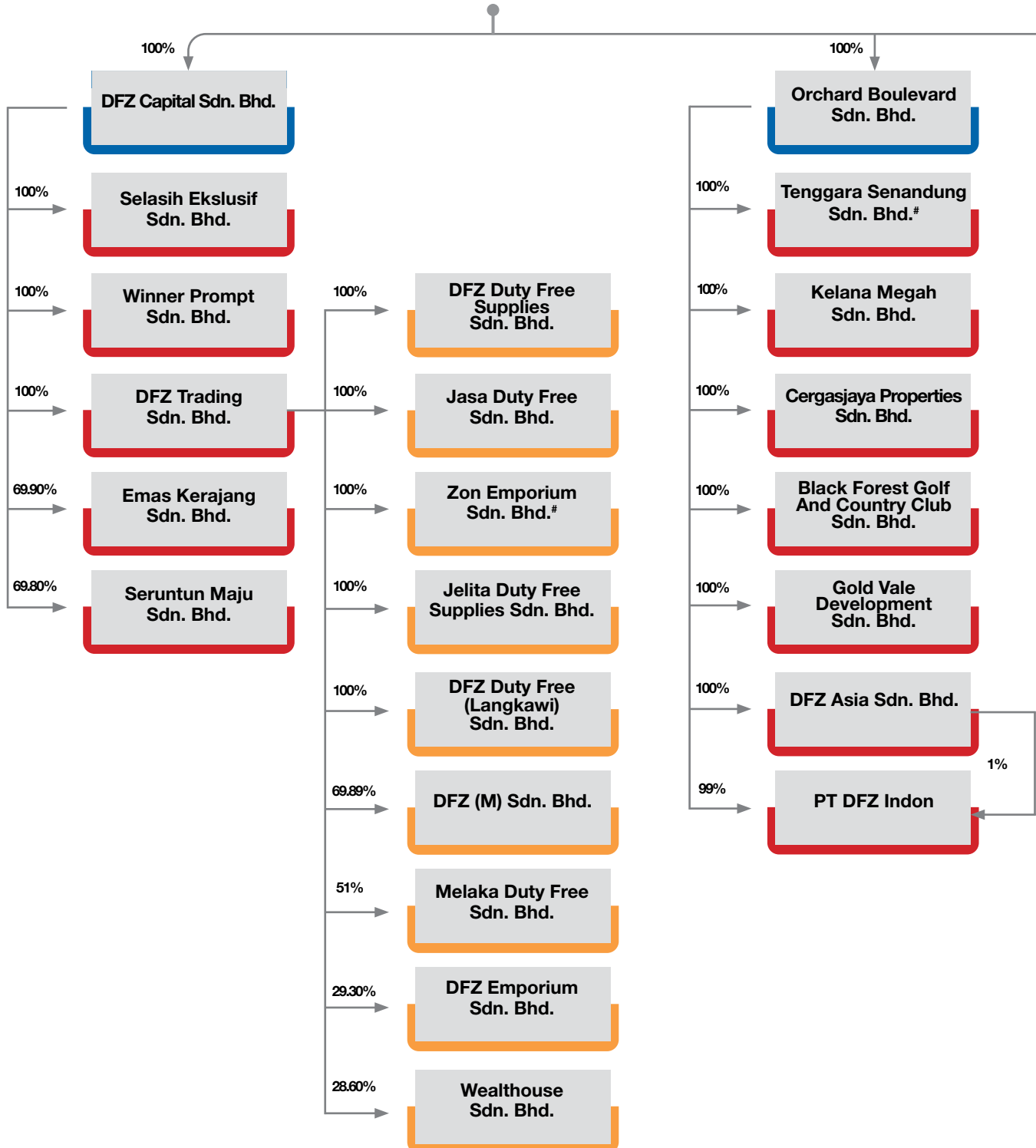
Our PRESENCE

As at 3 June 2026



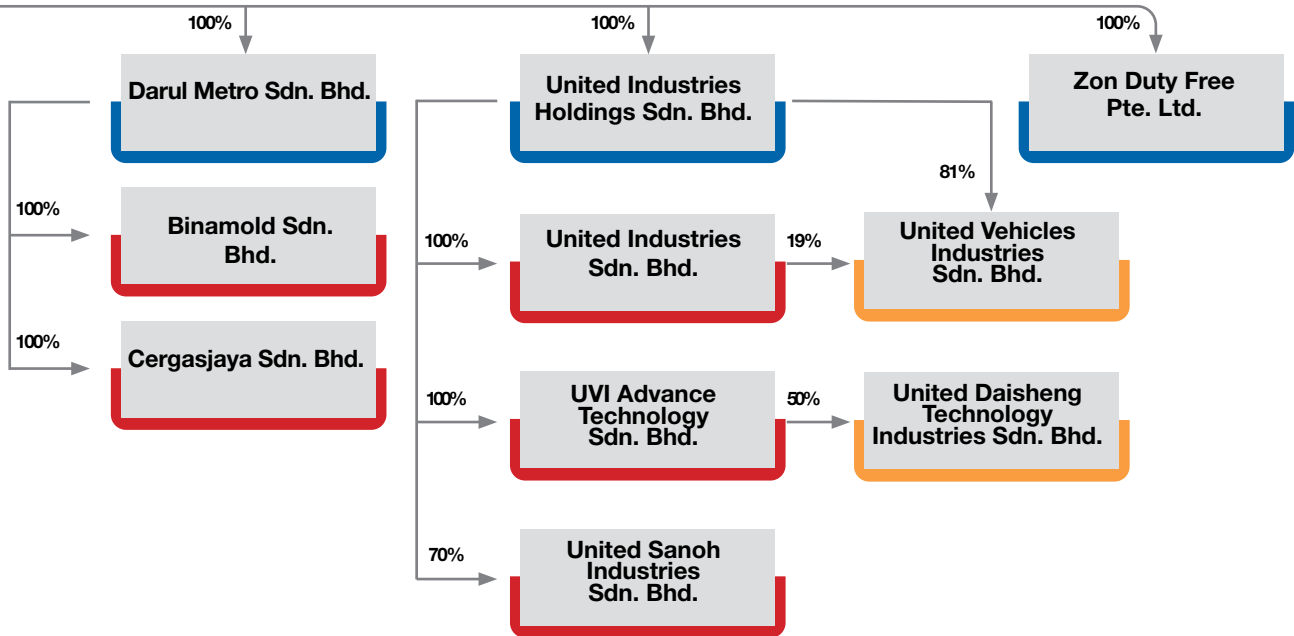


As at 3 June 2026



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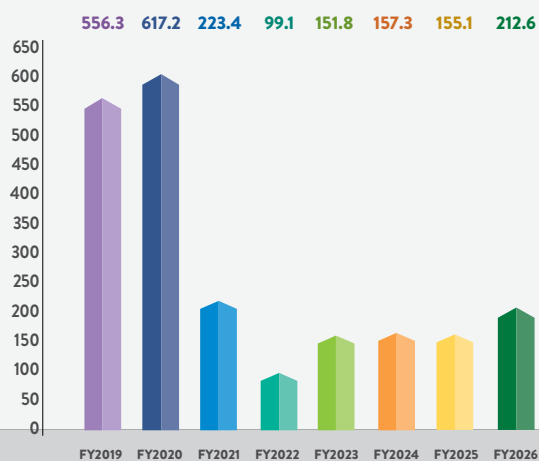
As at 3 June 2026



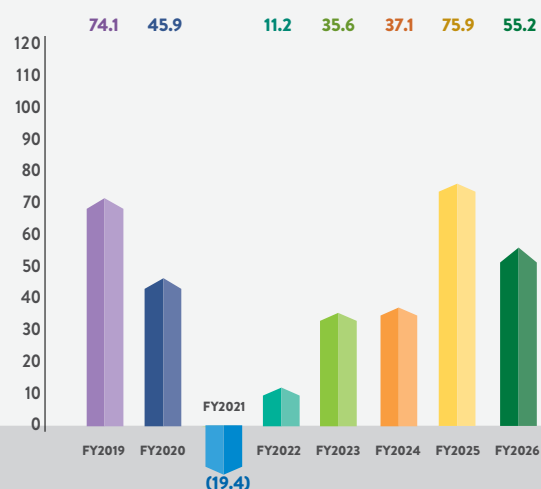
Financial HIGHLIGHTS

Year ended 28/29 February

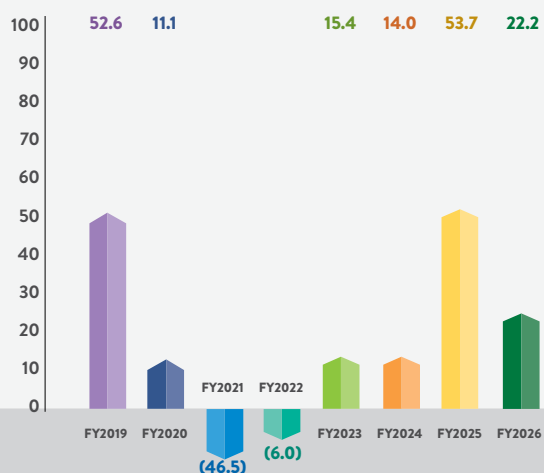
REVENUE (RM'MILLION)



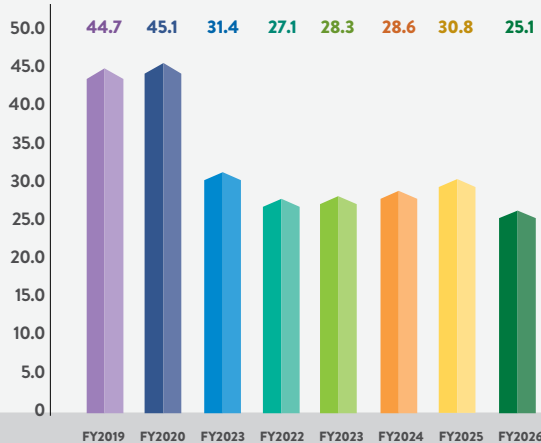
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (BEFORE EXCEPTIONAL ITEMS) (RM'MILLION)



PROFIT AFTER TAX (RM'MILLION)



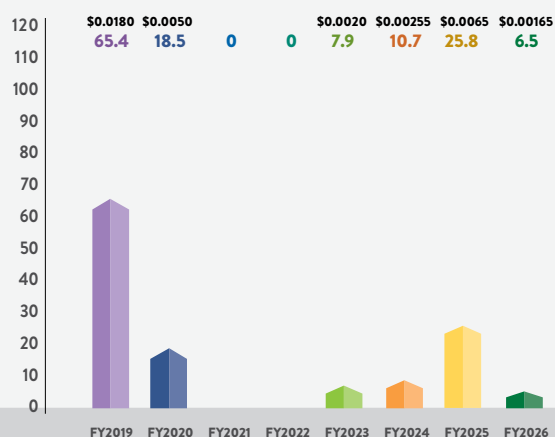
NET TANGIBLE ASSETS PER SHARE (RM SEN)



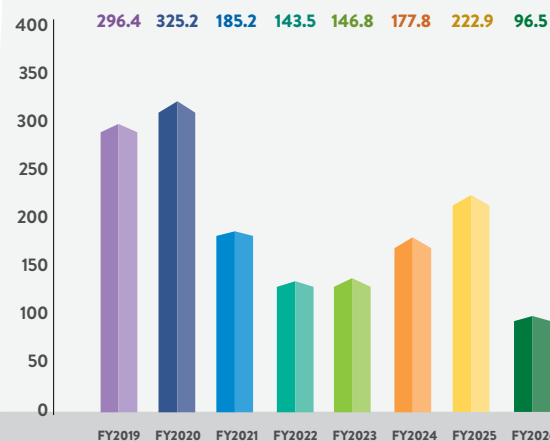
Year ended 28/29 February

DIVIDEND PAYOUT (RM'MILLION)

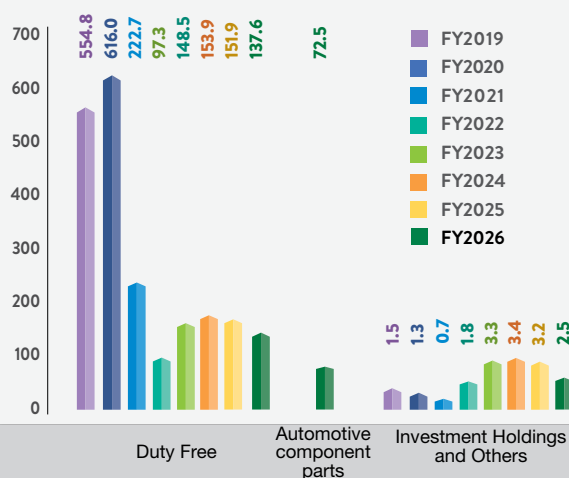
■ DIVIDEND PER SHARE IN SGD



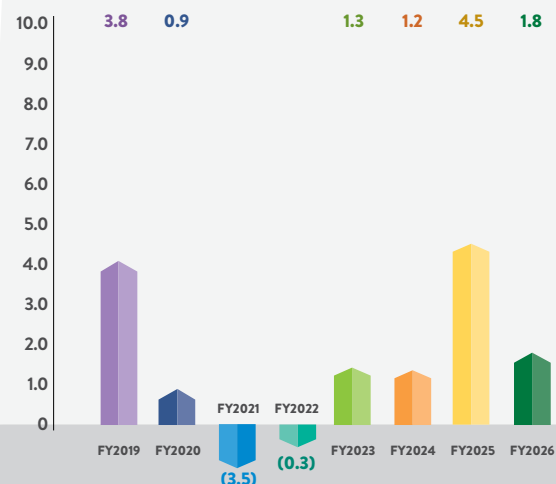
CASH AND CASH EQUIVALENTS (RM'MILLION)



REVENUE BY OPERATING SEGMENTS (RM'MILLION)



BASIC EARNINGS PER SHARE (RM SEN)



Chairman's MESSAGE



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Duty Free International Limited (“DFI” or “Company”, and together with its subsidiaries, the “Group”), I am pleased to present the annual report for the financial year ended 28 February 2026 (“FY2026”).

ECONOMIC ENVIRONMENT

The global economic environment continues to be shaped by elevated geopolitical tensions and instability in the Middle East which have contributed to persistent inflationary pressures and heightened uncertainty in global economic conditions. At the same time, global supply chains remain vulnerable to disruption, resulting in continued volatility in input costs and pricing across goods and services.

Despite these external challenges, the Malaysian economy grew by 5.2% in 2025 (2024: 5.1%), supported by resilient domestic demand amid a challenging global environment characterised by trade uncertainties and evolving economic dynamics. Household spending remained robust, underpinned by favourable labour market conditions, steady wage growth and targeted policy support measures¹.

In 2025, the automotive segment in which the Group’s newly acquired subsidiaries operate continued to deliver sustainable performance. New vehicle sales grew by 0.5%, marking the second consecutive year in which Total Industry Volume (“TIV”) surpassed 800,000 units. This performance was supported by resilient consumer demand, favourable financing conditions and growing acceptance of electrified vehicles, reflecting the industry’s continued strength and transition towards more advanced

and sustainable mobility. However, the outlook for the automotive industry in 2026 is expected to soften, with a potential marginal decline in TIV anticipated².

BUSINESS OVERVIEW

FY2026 marked a transformative year for the Group. During the financial year, the Group acquired 100% equity interest in United Industries Holdings Sdn. Bhd. together with its subsidiaries (“UIG”) from its holding company, Atlan Holdings Bhd for a total consideration of RM175 million. The acquisition, completed on 31 October 2025 represents a significant milestone in the Group’s strategic diversification journey, expanding its footprint into the automotive component parts manufacturing sector. The integration of UIG has diversified the Group’s revenue base, strengthened its industrial capabilities and positioned the Group to capitalise on emerging opportunities within the automotive and electric vehicle supply chain ecosystem.

However, the Group’s duty-free operations were significantly impacted by the closure of its outlets in Johor Bahru and Langkawi Island. The cessation of business operations in Johor Bahru resulted from the non-renewal of business licences by the local authority despite the Group’s continued efforts to secure the necessary approvals. In addition, operations at the Langkawi outlet were discontinued following the landlord’s decision to undertake major refurbishment works at the premises. These adverse developments have posed significant operational challenges to the Group’s duty-free retail business and are expected to adversely affect the performance of the retail segment in the forthcoming financial year.

In response to a rapidly evolving operating landscape and operational disruptions within the Group’s retail business segment, the Group has undertaken strategic

Source:

¹ <https://www.bnm.gov.my/publications/emr2025/ch1>

² https://www.maa.org.my/pdf/2025/Market_Review_2025.pdf

initiatives to diversify its operations and strengthen long-term sustainability while remaining focused on enhancing operational efficiency and pursuing sustainable growth opportunities.

We continue to adopt disciplined strategies aimed on prudent cost management and the preservation of cash reserves measures that are essential to maintaining financial stability. At the same time, we remain committed to safeguarding the well-being of our employees and the communities we serve. Strengthening our capital and liquidity position remains a key priority, enabling the Group to enhance resilience amid prevailing market uncertainties while continuing to deliver sustainable value to our shareholders and stakeholders.

FINANCIAL PERFORMANCE

The Group delivered a commendable performance in FY2026, recording revenue of RM212.6 million, an increase of 37.1% or RM57.5 million compared to RM155.1 million in the financial year ended 28 February 2025 ("FY2025"). The increase was primarily driven by the consolidation of revenue from the newly acquired UIG which contributed RM72.5 million following its acquisition during the financial year. However, this was partially offset by a decline in revenue from the duty-free retail segment arising from the closure of retail outlets as mentioned above.

For the financial year under review, the Group recorded a profit before tax of RM35.4 million in FY2026 compared to RM57.5 million in FY2025. The decrease in profit was mainly due to the absence of a one-off compensation received in the preceding year in relation to a compulsory land acquisition (please refer to Note 39 of the audited financial statement for FY2026). Nevertheless, the overall performance of the Group in FY2026 was partially improved by a one-off gain arising from the derecognition of leases following the closure of the Johor Bahru outlet, net of one-off expenses which included employee termination costs and the write-off of property, plant and equipment. In addition, the newly acquired UIG contributed profit after tax of RM7.5 million to the Group for the financial period commencing November 2025 to February 2026.

As at 28 February 2026, the Group's financial position remains robust, with net assets amounting to RM306.1 million and cash and bank balances of RM107.4 million, bolstering its capacity to pursue future opportunities and navigate a changing business landscape.

DIVIDEND

In line with our continued commitment to rewarding shareholders, the Group declared a total dividend of S\$0.00165 per share, amounting to a total payout of S\$2.0 million (equivalent to approximately RM6.5 million) for FY2026, which were paid out on 6 August 2025. The payments of dividend translate to a dividend yield of approximately 2.23% based on the closing share price of S\$0.074 on 28 February 2026.

OUTLOOK

The Malaysian economy is projected to remain resilient in 2026, underpinned by stable domestic demand particularly private consumption and investment anchored by national development priorities. That said, risks to external demand remain due to global trade uncertainties and the absence of the strong frontloading export activities seen previously.³

In view of the above, the Group expects the business environment in which it operates to remain challenging. While the acquisition of UIG provides a new avenue for growth and diversification into the manufacturing of automotive component parts industry and is expected to contribute positively to the Group's future performance, the duty-free retail business continues to operate in a highly competitive environment and remains susceptible to fluctuations in tourism flows, currency volatility and consumer sentiment among other factors. Furthermore, both the automotive component parts and retail business segments are expected to face ongoing challenges arising from prevailing economic conditions, rising operating costs and evolving consumer spending patterns.

Notwithstanding these headwinds, the Group remains committed to pursuing new business opportunities, enhancing operational efficiency and expanding its range of products and services to position us favourably for sustainable growth and achievement. With continued focus on refining strategic planning, prudent resource allocation and cost optimisation, the Group is cautiously optimistic that its operations and financial performance will continue to remain resilient moving forward.

APPRECIATION

On behalf of the Board, I would like to convey our sincere appreciation and gratitude to all our valued shareholders, customers, suppliers, business partners and various government agencies for your unwavering and valuable support, cooperation, trust and confidence in the Group throughout the financial year. Additionally, I wish to extend my heartfelt gratitude to our dedicated team of management and employees for their dedication and support in ensuring the Group businesses sustainability and navigating through the challenging business environment. I would also like to thank my fellow Board members for their unwavering dedications, strategic insights, and invaluable guidance over the years, which has contributed positively to the Group's financial stability.

Thank You.

Adam Sani Abdullah

Non-Executive Chairman

Duty Free International Limited

Source:

³ <https://www.sc.com.my/annual-report-2025/capital-market-review-outlook>



PARA PEMEGANG SAHAM YANG DIHORMATI,

Bagi pihak Lembaga Pengarah Duty Free International Limited (“DFI” atau “Syarikat”, dan bersama-sama anak-anak syarikatnya dirujuk sebagai “Kumpulan”), saya dengan sukacitanya membentangkan laporan tahunan bagi tahun kewangan berakhir 28 Februari 2026 (“TK2026”).

PERSEKITARAN EKONOMI

Persekitaran ekonomi global terus dipengaruhi oleh ketegangan geopolitik yang memuncak serta ketidakstabilan di rantau Timur Tengah, yang telah menyumbang kepada tekanan inflasi yang berterusan dan peningkatan ketidaktentuan keadaan dalam ekonomi global. Pada masa yang sama, rantai bekalan global terus terdedah kepada gangguan, sekali gus mengakibatkan turun naik berterusan dalam kos input dan harga barangan serta perkhidmatan.

Di sebalik cabaran luaran tersebut, ekonomi Malaysia kekal mencatatkan pertumbuhan sebanyak 5.2% pada tahun 2025 (2024: 5.1%), disokong oleh permintaan domestik yang masih berdaya tahan meskipun berdepan persekitaran global yang mencabar, yang ditunjukkan melalui ketidaktentuan perdagangan serta perubahan corak ekonomi. Perbelanjaan isi rumah kekal kukuh, disokong oleh keadaan pasaran buruh yang memberangsangkan, pertumbuhan gaji yang stabil serta langkah-langkah sokongan dasar bersasar oleh Kerajaan¹.

Pada tahun 2025, sektor automotif, yang juga diceburi oleh subsidiari Kumpulan yang baharu diambil alih, terus mencatatkan prestasi yang mampan. Jualan kenderaan baharu meningkat sebanyak 0.5%, menandakan tahun kedua berturut-turut Jumlah Volum Industri (“TIV”) melepasi paras 800,000 unit. Prestasi ini disokong oleh permintaan pengguna yang kekal berdaya tahan, keadaan pembiayaan yang menggalakkan serta peningkatan penerimaan terhadap kenderaan berelektrik, mencerminkan kekuatan berterusan industri serta

peralihannya ke arah pengangkutan yang lebih maju dan lestari. Walau bagaimanapun, tinjauan bagi industri automotif pada tahun 2026 dijangka lebih sederhana, dengan potensi penurunan kecil dalam TIV.²

TINJAUAN PERNIAGAAN

TK2026 merupakan tahun yang transformatif bagi Kumpulan. Di dalam tahun kewangan ini, Kumpulan telah memperoleh pegangan ekuiti 100% di dalam United Industries Holdings Sdn. Bhd. berserta subsidiari-subsidiarinya (“UIG”) daripada syarikat induknya, Atlan Holdings Bhd, dengan jumlah balasan sebanyak RM175 juta. Pengambilalihan yang disempurnakan pada 31 Oktober 2025 merupakan satu pencapaian penting dalam perjalanan kepelbagaian strategik Kumpulan, dengan memperluaskan penglibatan dalam sektor pembuatan automotif dan bekalan komponen. Dengan pengambilalihan UIG ini, Kumpulan kini mempunyai hasil pendapatan utama yang lebih pelbagai, di samping memperkukuh keupayaan industri serta meletakkan Kumpulan pada kedudukan yang lebih baik untuk memanfaatkan peluang baharu dalam ekosistem rantai bekalan automotif dan kenderaan elektrik.

Walaupun bagaimanapun, operasi bebas cukai Kumpulan telah terjejas dengan ketara susulan penutupan outlet-outlet di Johor Bahru dan Pulau Langkawi. Penamatan operasi di Johor Bahru adalah berpunca daripada ketiadaan pembaharuan lesen perniagaan oleh pihak berkuasa tempatan, meskipun Kumpulan telah melakukan pelbagai usaha untuk mendapatkan kelulusan yang diperlukan.

Selain itu, operasi di outlet Langkawi telah dihentikan berikutan keputusan pemilik premis untuk melaksanakan kerja-kerja pengubahsuaian besar di lokasi berkenaan. Perkembangan negatif ini telah memberikan cabaran operasi yang ketara kepada perniagaan runcit bebas cukai Kumpulan dan dijangka memberi kesan yang kurang menggalakkan terhadap prestasi segmen runcit pada tahun kewangan akan datang.

Sumber:

1 <https://www.bnm.gov.my/publications/emr2025/ch1>

2 https://www.maa.org.my/pdf/2025/Market_Review_2025.pdf

Sebagai tindak balas kepada landskap operasi yang sentiasa berubah serta gangguan operasi dalam segmen perniagaan runcitnya, Kumpulan telah melaksanakan inisiatif strategik bagi mempelbagaikan operasi serta memperkukuh kelestarian jangka panjang, di samping terus memberi tumpuan kepada peningkatan kecekapan operasi dan penerokaan peluang pertumbuhan yang mampan.

Kami terus mengamalkan strategi berdisiplin yang mengutamakan kepada pengurusan kos yang berhemat serta pemeliharaan rizab tunai, yang merupakan elemen penting dalam mengekalkan kestabilan kewangan Kumpulan. Pada masa yang sama, Kumpulan kekal komited dalam menjaga kebajikan warga kerja serta komuniti yang kami jaga. Pengukuhan kedudukan modal dan kecairan terus menjadi keutamaan utama, bagi membolehkan Kumpulan meningkatkan daya tahan dalam menghadapi ketidakpastian pasaran semasa, di samping terus menjana nilai yang mampan kepada pemegang saham serta pihak berkepentingan.

PRESTASI KEWANGAN

Kumpulan mencatatkan prestasi yang memberangsangkan bagi TK2026 dengan merekodkan pendapatan sebanyak RM212.6 juta, meningkat 37.1% atau RM57.5 juta berbanding RM155.1 juta bagi tahun kewangan berakhir 28 Februari 2025 ("TK2025"). Peningkatan ini terutamanya disebabkan oleh gabungan hasil pendapatan daripada UIG yang baru diperoleh, yang menyumbang sebanyak RM72.5 juta selepas pengambilalihannya dalam tahun kewangan ini.

Walau bagaimanapun, peningkatan ini telah sedikit terjejas disebabkan oleh penurunan hasil daripada segmen runcit bebas cukai susulan penutupan outlet-outlet seperti yang dinyatakan di atas.

Bagi tahun kewangan yang dilaporkan ini, Kumpulan mencatatkan keuntungan sebelum cukai sebanyak RM35.4 juta pada TK2026 berbanding RM57.5 juta pada TK2025. Penurunan keuntungan ini terutamanya disebabkan oleh ketiadaan pampasan tidak berulang yang diterima pada tahun sebelumnya berhubung pengambilan tanah secara paksa (sila rujuk Nota 39 penyata kewangan beraudit bagi tahun berakhir 28 Februari 2026).

Walau bagaimanapun, prestasi keseluruhan Kumpulan bagi TK2026 telah sedikit meningkat disebabkan oleh keuntungan tidak berulang yang terhasil daripada pembatalan pengiktirafan pajakan susulan penutupan outlet di Johor Bahru, selepas ditolak perbelanjaan tidak berulang yang merangkumi kos penamatan pekerja serta hapus kira hartanah, loji dan peralatan. Selain itu, UIG yang baru diperoleh telah menyumbang keuntungan selepas cukai sebanyak RM7.5 juta kepada Kumpulan bagi tempoh kewangan dari November 2025 hingga Februari 2026.

Pada 28 Februari 2026, kedudukan kewangan Kumpulan kekal kukuh dengan aset bersih berjumlah RM306.1 juta serta baki tunai dan bank sebanyak RM107.4 juta, sekali gus memperkukuh keupayaan Kumpulan untuk meneroka peluang masa hadapan serta menghadapi landskap perniagaan yang sentiasa berubah.

DIVIDEN

Selaras dengan komitmen berterusan kami untuk memberi pulangan kepada pemegang saham, Kumpulan telah mengisytiharkan jumlah dividen sebanyak S\$0.00165 sesaham, bersamaan dengan jumlah

keseluruhan sebanyak S\$2.0 million (kira-kira RM6.5 juta) untuk TK2026, yang telah dibayar pada 6 Ogos 2025. Bayaran dividen ini adalah bersamaan hasil dividen sekitar 2.23% berdasarkan harga penutupan saham sebanyak S\$0.074 pada 28 Februari 2026.

TINJAUAN DAN HARAPAN

Ekonomi Malaysia dijangkakan kekal berdaya tahan di tahun 2026, dipacu oleh permintaan dalam negara terutamanya perbelanjaan isi rumah dan pelaburan, yang disandarkan kepada keutamaan pembangunan negara. Walau bagaimanapun, risiko-risiko terhadap permintaan luar masih wujud berikutan dengan ketidakpastian perdagangan global dan ketiadaan lonjakan aktiviti eksport seperti yang berlaku sebelum ini³.

Dengan itu, Kumpulan menjangkakan persekitaran perniagaan yang diceburi akan kekal mencabar. Walaupun pengambilalihan UIG membuka laluan baharu bagi pertumbuhan serta kepelbagaian ke dalam industri pembuatan komponen automotif, dan dijangka memberi sumbangan positif kepada prestasi masa hadapan Kumpulan, perniagaan runcit bebas cukai terus beroperasi dalam persekitaran yang amat kompetitif serta kekal terdedah kepada turun naik aliran pelancongan, ketidakpastian kadar pertukaran mata wang serta perubahan sentimen pengguna, antara faktor lainnya.

Di samping itu, kedua-dua segmen perniagaan automotif dan runcit dijangka berdepan cabaran berterusan susulan keadaan ekonomi semasa, peningkatan kos operasi serta perubahan dalam corak perbelanjaan pengguna.

Meskipun berdepan dengan cabaran di atas, Kumpulan kekal komited untuk meneroka peluang perniagaan baharu, meningkatkan kecekapan operasi serta memperluaskan rangkaian produk dan perkhidmatan bagi menempatkan Kumpulan pada kedudukan yang lebih baik untuk pertumbuhan mampan dan pencapaian jangka panjang.

Dengan penekanan berterusan terhadap penambahbaikan perancangan strategik, peruntukan sumber yang berhemat serta pengoptimuman kos, Kumpulan secara berhati-hati, percaya bahawa operasi dan prestasi kewangannya akan terus kekal berdaya tahan pada masa hadapan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan dan terima kasih kepada para pemegang saham, pelanggan, pembekal, rakan perniagaan serta pelbagai agensi kerajaan atas sokongan, kerjasama, kepercayaan dan keyakinan yang tidak berbelah bahagi terhadap Kumpulan sepanjang tahun kewangan ini. Selain itu, saya ingin merakamkan penghargaan yang tidak terhingga kepada pasukan pengurusan serta warga kerja yang berdedikasi atas komitmen dan sokongan berterusan dalam memastikan kelangsungan perniagaan Kumpulan serta mengharungi persekitaran perniagaan yang mencabar. Tidak lupa juga, saya ingin merakamkan terima kasih kepada rakan-rakan Lembaga Pengarah atas dedikasi yang berterusan, pandangan strategik serta bimbingan yang amat bernilai selama ini, yang telah menyumbang secara signifikan kepada kestabilan kewangan Kumpulan.

Terima Kasih.

Adam Sani Abdullah

Pengerusi Bukan Eksekutif
Duty Free International Limited

Sumber:

3 <https://www.sc.com.my/annual-report-2025/capital-market-review-outlook>

Board of DIRECTORS

DATO' SRI ADAM SANI ABDULLAH

(Non-Executive Chairman)

Dato' Sri Adam Sani Abdullah, a Malaysian, is the Non-Executive Chairman of the Board. He is a self-made entrepreneur for more than 46 years. In 2000, he acquired a controlling stake in Atlan Holdings Bhd ("Atlan"), and was subsequently appointed as Chairman and Non-Executive Director of Atlan in June 2000 and subsequently re-designated as Executive Chairman on 14 January 2022. Atlan is listed on Bursa Malaysia and its subsidiaries are involved in a wide array of businesses in duty-free trading and retailing, property development, investment and hospitality as well as manufacturing of automotive component parts.

SEBASTIAN PAUL LIM CHIN FOO

(Non-Independent Non-Executive Director)

Sebastian Paul Lim Chin Foo, a Malaysian, joined the Board as the Non-Independent Non-Executive Director on 10 November 2025. He holds a Master of Science in Political Economy of Late Development from London School of Economics and a Bachelor of Arts in History (Hons) from King's College, University of London. He has more than 15 years of working experience across investment and financial services sectors. He is currently the Non-Independent Non-Executive Director of Atlan Holdings Bhd.

He is the son of Dato' Sri Adam Sani bin Abdullah, Non-Executive Chairman and substantial shareholder of the Company. Please refer to page 227 of this Annual Report for details of shareholdings.

JENERAL TAN SRI DATO' SRI ABDULLAH BIN AHMAD @ DOLLAH BIN AMAD (B)

(Lead Independent Director)

Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), a Malaysian, joined the Board as an Independent Director on 2 May 2024 and subsequently re-designated as Lead Independent Director on 26 June 2024. He graduated from Royal Air Force Staff College in Bracknell, United Kingdom in 1982. He holds Master Degree in International Relations and Strategic Studies from University of Lancaster, United Kingdom. Prior to joining the Group, he was an Independent Non-Executive Director of Atlan Holdings Bhd and also a director of several private companies.

QUEK MENG TECK, DERRICK

(Independent Director)

Quek Meng Teck, Derrick, a Singaporean, joined the Board as an Independent Director on 2 May 2024. He holds a Masters of Science in Financial Management from the University of London and a Bachelor of Science in Finance and International Management (Magna Cum Laude) from New York University, Leonard Stern School of Business. He has over 20 years of experience spanning financial services, real estate and beverage distribution.

He is the current CEO/Founder of two companies, namely The First Pour Pte. Ltd. and ARK Investment Advisors Pte. Ltd. which are involved in beverage distribution and real estate investment respectively. He is also a director of other privately held real estate linked companies. Prior to the start of his entrepreneurial journey, he was a Director of Investments with Merrill Lynch International Bank (Singapore) and started his career as an Analyst with the External Department of the Monetary Authority of Singapore in 2001.

HASLIN BINTI OSMAN

(Independent Director)

Haslin binti Osman, a Malaysian, joined the Board as an Independent Director on 2 May 2024. She holds a Diploma in Stenography from Institut Teknologi MARA (now known as University Teknologi MARA) and has more than 10 years of experience in the human capital management in banking sector until her retirement in 2022. From year 1982 to 2011, she worked as a Confidential Secretary/Personal Assistant in several private companies.

CHEW SOO LIN

(Non-Independent Non-Executive Director)

Chew Soo Lin, a Singaporean, joined the Board as an Independent Director on 26 August 2011 and subsequently re-designated as Non-Independent Non-Executive Director on 26 June 2024. He qualified as an UK Chartered Accountant in 1971 and worked for international audit firms in England and Singapore till 1978. He then joined the Khong Guan group of companies and gained experience managing various food manufacturing and trading companies located all over Asia. He is currently the Executive Chairman of Khong Guan Limited and is also an Independent Director and audit committee member of Kim Hin Joo (Malaysia) Berhad.

Key MANAGEMENT TEAM

DATUK LEE KOK KHEE

Group Chief Executive Officer

Datuk Lee Kok Khee, a Malaysian, is the Group Chief Executive Officer. He joined the Group in year 2025 and is responsible for carrying out the strategies and policies as established by the Board of Directors and for overseeing the Group's duty-free, property and manufacturing of automotive component parts businesses in Malaysia.

LEE SZE SIANG

Chief Operating Officer

Lee Sze Siang, a Malaysian, is the Chief Operating Officer of the Group. He joined the Group as Executive Director (Finance and Corporate Services) in year 2010. He resigned from this position on 10 November 2025 and was re-designated as Chief Operating Officer, where he is responsible for overseeing the overall operations of the Group.

KHOO CHUN KEONG

Chief Executive Officer, United Industries Holdings Sdn. Bhd.

Khoo Chun Keong, a Malaysian, is the Chief Executive Officer of United Industries Holdings Sdn Bhd ("UIH"). He joined the Group in year 2017 and is responsible for overseeing the strategy direction, development, operations and the financial performance of UIH Group.

TNEH SHU HOAY

Financial Controller

Tneh Shu Hoay, a Malaysian, is the Financial Controller of the Group. She joined the Group as Assistant Financial Controller in November 2022 and subsequently was promoted to the position as Financial Controller on 9 May 2024. She is responsible for overseeing the functions of the finance department.

TAN CHOOI FOON

General Manager, United Industries Holdings Sdn. Bhd.

Tan Chooi Foon, a Malaysian, is the General Manager of United Industries Holdings Sdn Bhd ("UIH"). She joined the Group as a Manager in 2006 and was promoted to the current position as General Manager in 2023. She is responsible for overseeing the Finance, Administration and Human Resource Departments of UIH Group.

TEE LAY YEN

Senior Manager-Human Resources

Tee Lay Yen, a Malaysian, is the Senior Manager - Human Resources of the Group. She joined the Group in year 2017 and oversees the full spectrum of Group human resources functions including workforce planning, execution of recruitment and retention strategies, training & development, employee relations, performance management, compensation and benefits and payroll administration.

She also responsible for building and maintaining a productive workforce to support the Group's operational needs and long-term business objectives.

BOARD OF DIRECTORS

Dato' Sri Adam Sani bin Abdullah

(Non-Executive Chairman)

Sebastian Paul Lim Chin Foo

(Non-Independent Non-Executive Director)

**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)

Chew Soo Lin

(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

Quek Meng Teck, Derrick *(Chairman)*

Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @
Dollah bin Amad (B)

Haslin binti Osman

Chew Soo Lin

NOMINATING COMMITTEE

Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @
Dollah bin Amad (B) *(Chairman)*

Dato' Sri Adam Sani bin Abdullah

Quek Meng Teck, Derrick

REMUNERATION COMMITTEE

Haslin binti Osman *(Chairman)*

Dato' Sri Adam Sani bin Abdullah

Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @
Dollah bin Amad (B)

COMPANY SECRETARY

Thum Sook Fun

REGISTERED OFFICE

138 Cecil Street

#12-01A Cecil Court

Singapore 069538

Tel No : (65) 6534 0181

Fax No : (65) 6725 0522

SHARE REGISTRAR

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1 Harbourfront Avenue

#14-07, Keppel Bay Tower

Singapore 098632

AUDITORS

Ernst & Young LLP

One Raffles Quay

North Tower, Level 18

Singapore 048583

PARTNER-IN-CHARGE

Hah Yanying

(With effect from financial year ended 29 February
2024)

PRINCIPAL BANKERS

Affin Bank Berhad

Alliance Bank Malaysia Berhad

Bank of China (Malaysia) Berhad

CIMB Bank Berhad

Deutsche Bank AG

Malayan Banking Berhad

United Oversea Bank Limited



BOARD OF DIRECTORS' STATEMENT

It is my pleasure to present Duty Free International Limited (“DFI”, together with its subsidiaries, “DFI Group” or the “Group”) Sustainability Statement for the financial year ended 28 February 2026 (“FY2026”), highlighting the Group’s continued commitment to responsible growth, operational resilience and long-term value creation.

DFI Group’s Sustainability Statement is shaped by a year of transformation, resilience and strategic progress. FY2026 marked a significant milestone for the Group following the acquisition of United Industries Holdings Sdn. Bhd. (“UIH”) and its subsidiaries (collectively referred to as “UI Group” or “UIG”) which expanded our presence beyond duty-free retail into automotive component parts manufacturing. This diversification strengthens our business resilience, broadens our growth platform and reinforces our commitment to creating long-term sustainable value across a wider operational footprint.

As our operations evolve, sustainability remains firmly embedded within how we operate, make decisions and create value. We recognise that responsible environmental, social and governance practices are essential to maintaining stakeholder trust, strengthening operational resilience and supporting long-term business competitiveness. Throughout the year, we continued to integrate sustainability considerations into our governance structures, operational processes and strategic planning across both retail and manufacturing operations.

We also strengthened our climate-readiness and governance capabilities in line with evolving regulatory expectations, including the IFRS S1 and IFRS S2. During the year, we expanded climate-related disclosures, further integrated climate risks into our Enterprise Risk Management framework and continued to enhance internal data management capabilities to support more robust sustainability reporting.

Operationally, the Group continued pursuing efficiency improvements, responsible sourcing practices and resource optimisation initiatives. Across our duty-free retail operations, we streamlined logistics, enhanced digital coordination and expanded waste reduction initiatives. Within the automotive component parts manufacturing segment, we advanced renewable energy adoption through additional solar installations and continued strengthening environmental compliance, operational safety and supplier engagement practices.

Equally important is our commitment to people and communities, which remain central to our sustainability agenda. We continued investing in employee development, workplace safety, diversity and community engagement initiatives while strengthening stakeholder engagement through an enhanced double materiality assessment process. These efforts enable us to better understand the sustainability matters that are most important to our stakeholders and their potential impact on the Group’s long-term performance.

The Board remains committed to strengthening sustainability governance, proactively managing emerging risks and driving continuous improvement across the Group. We recognise that sustainability is an ongoing journey requiring collaboration, adaptability and disciplined execution. As DFI continues to grow and evolve, we remain focused on building a resilient, responsible and future-ready organisation that delivers sustainable value to our stakeholders.

On behalf of the Board of Directors, I would like to thank our employees, customers, suppliers, business partners, shareholders and other stakeholders for their continued trust, support and collaboration throughout this important year of transformation and progress.

On behalf of the Board of Directors
Datuk Lee Kok Khee
Group Chief Executive Officer

ABOUT THIS SUSTAINABILITY REPORT

DFI's acquisition of UIG from its holding company, Atlan Holdings Bhd ("Atlan"), marks a pivotal milestone in its sustainability journey, reinforcing the Group's commitment to long-term, sustainable growth. The integration of UIG's capabilities strengthens DFI's platform for business expansion while supporting the delivery of positive environmental and social outcomes. This diversification unlocks new avenues for value creation and further enhances DFI's resilience in addressing increasingly complex environmental and social sustainability challenges.

This Sustainability Report outlines DFI Group's continued focus on long-term value creation by systematically integrating sustainability principles across its retail and manufacturing operations. By embedding responsible environmental, social and governance ("ESG") practices into key business processes and decision-making frameworks, DFI ensures that sustainability is central to its strategy. This approach not only builds resilience to emerging risks but also enhances the Group's capacity to capture opportunities aligned with its sustainability goals.

Reporting Framework	Principle Guidelines • Global Reporting Initiative ("GRI") Standards • Sustainability Reporting Guide in Practice Note 7.6 by the Singapore Exchange Additional Guidelines • Bursa Malaysia Enhanced Sustainability Reporting Framework • The United Nations Sustainable Development Goals ("UNSDGs") • International Organisation for Standardisation ("ISO") 2600:2010 Guidance on Social Responsibility • Sustainability Accounting Standards Board ("SASB") • The Taskforce on Climate-Related Financial Disclosures ("TCFD") • IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) • IFRS S2 (General Requirements for Climate-related Disclosures)
NSRF Readiness	The Bursa Malaysia National Sustainability Reporting Framework ("NSRF") sets out a phased roadmap for Malaysian-listed issuers to strengthen alignment with IFRS S1 and IFRS S2 across governance, strategy, risk management, metrics and targets, with an initial focus on climate-related disclosures. As an SGX-listed company, DFI primarily aligns its sustainability reporting with the requirements and guidance of the Singapore Exchange, which remains the principal reporting framework across the Group, including UIG's operations. While the NSRF is not directly applicable to SGX-listed entities, the Group has considered selected elements of the framework as supplementary guidance, particularly to strengthen IFRS S2-aligned climate-related disclosures and enhance transparency over climate risks and opportunities. This approach strengthens internal capabilities, improves data management and enhances the integration of climate considerations into decision-making while also supporting readiness for evolving sustainability reporting expectations.
Reporting Scope and Boundaries	This Sustainability Report covers the activities of DFI Group and its subsidiaries over which the Group exercises managerial control, as outlined in the Corporate Structure section of the DFI Annual Report 2026. It encompasses all material operations that affect the Group's performance, with consolidated data included where possible.

References, Data and Restatement	All references to “DFI Group” and “the Group” collectively refer to DFI and its newly acquired subsidiary, UIH, together with their respective groups of companies. Individual references, such as “DFI” or “UIH,” denote the specific entity in the relevant context. Following the completion of DFI’s acquisition of UI Group on 31 October 2025, the Automotive segment previously reported under Atlan has been incorporated into DFI Group. Accordingly, qualitative sustainability disclosures relating to UI Group, including key initiatives, management approaches and progress narratives, are included in this Sustainability Report to reflect the segment’s inclusion within DFI Group. Nevertheless, to preserve full-year data integrity and support meaningful year-on-year comparability, quantitative sustainability performance data for UI Group for FY2026 will continue to be disclosed in Atlan’s Sustainability Report. Full reporting responsibility for both qualitative and quantitative sustainability disclosures for UI Group will transition to DFI Group from FY2027 onwards. There is no restatement of data for the most recent year reported.
Reporting Period	The reporting period for this Sustainability Report spans from 1 March 2025 to 28 February 2026, with pertinent historical performance data included where relevant. DFI Group publishes this Sustainability Report annually, with the most recent edition released on 5 June 2025.
Accuracy and Reliability	The internal auditors carefully reviewed and validated this Report before submitting it to the Board of Directors for approval.
Feedback	Stakeholder feedback drives progress and enhances performance improvement throughout the sustainability journey. The Group welcomes any feedback, inquiries, suggestions or concerns and can be reached at office@dfi.com.sg. Your input is highly valued and will help guide the Group’s future efforts.

Sustainability **REPORT** (cont'd)

THE SUSTAINABILITY BLUEPRINT

Sustainability sits at the heart of the Group's operations, from duty-free retail to automotive component parts manufacturing. As a key player in both sectors, the Group embeds responsible sourcing, operational efficiency and ethical business conduct across every aspect of its activities.

The Group remains committed to minimising waste, optimising resource use and meeting evolving stakeholder expectations. It continually refines its approach to strengthen performance, improve resilience and support long-term growth.

Beyond reducing environmental impact through energy-efficient retail operations and environmentally conscious manufacturing processes, the Group cultivates a strong culture of social responsibility and sound governance. Sustainability is not a standalone initiative but an integral part of how the Group operates, creates value and contributes positively to people and the planet.



Automotive component parts manufacturing plant



Production floor

Our Core Values		
Customer satisfaction 	Economic Performance & Growth 	Integrity and Accountability 
Inclusive and Dynamic Workplace 	Community Empowerment 	Carbon Neutrality 
Our Sustainability Pillars		
Environment 	Social 	Governance 
Our Material ESG Factors		
• Climate Change & Emissions • Energy • Waste & Resources • Water • Pollution & Environmental Impact	• Staff & Wellbeing • Talent Development • Diversity, Equity & Inclusion • Quality & Safety • Responsible Business • Efficiency, Innovation & Productivity • Community	• Corporate Governance & Ethics • Supply Chain Management • Risk Management & Resilience • Data Privacy & Cybersecurity
Our Stakeholders		
		
Our Alignments		
		

KEY HIGHLIGHTS

FY2026 marked a significant year of progress for the Group as it strengthened its sustainability foundation following the expansion into automotive component parts manufacturing. Key advancements were made in climate readiness, workforce capability, governance oversight and reporting preparedness, reflecting the Group's continued focus on long-term resilience, responsible growth and value creation across its enlarged operations.

Environmental	• Strengthened climate readiness through deeper integration of climate-related risks into enterprise risk management. • Reduced emissions and resource consumption through operational optimisation and more efficient logistics. • Advanced waste reduction and responsible resource management initiatives across key operations. • Expanded sustainability data boundaries to support future IFRS S2-aligned climate disclosures.
Social	• Strengthened workforce capability through talent development, internship pathways and succession pipeline building. • Enhanced workplace and operational safety standards across key business segments. • Expanded local sourcing and community-linked economic participation initiatives. • Deepened stakeholder engagement through a refreshed double materiality assessment across the enlarged Group.
Governance	• Strengthened Board and management oversight following the integration of new manufacturing operations. • Advanced readiness for IFRS S1 and IFRS S2. • Embedded sustainability and climate considerations deeper into governance and risk oversight processes. • Reinforced ethical business conduct and responsible supply chain expectations across the Group.

SUSTAINABILITY GOVERNANCE

The Board of Directors (“Board”) leads DFI Group’s sustainability governance and is ultimately responsible for overseeing and guiding its ESG strategy. The Board sets the direction and refines policies, guidelines and strategies, ensuring that sustainability initiatives align with the Group’s overall objectives.

The Sustainability Working Group (“SWG”) assists the Board in executing the sustainability strategy by managing day-to-day initiatives. The SWG aligns core business functions with sustainability targets, meets deadlines and addresses emerging risks. The Board regularly receives progress updates, reviews plans, refines strategies and sets new targets to drive continuous improvement in sustainability efforts.

DFI Group Sustainability Governance Structure



MANAGING RISK

The Group integrates sustainability-related risks into its Enterprise Risk Management ('ERM') framework, covering both financial and non-financial risk dimensions. It applies the same level of rigour to sustainability and climate-related risks as it does to corporate, financial and operational risks, in line with recognised industry practices.

The Risk Team identifies and monitors key sustainability risks, including:

- Climate change
- Resource scarcity
- Regulatory developments

The Group assigns clear risk ownership, with designated risk owners responsible for implementing mitigation measures. It reviews its risk appetite periodically and incorporates sustainability considerations to strengthen organisational resilience in a changing operating environment.

The Risk Team and SWG oversee the integration of sustainability risks within the ERM framework, systematically evaluate identified risks and direct the implementation of appropriate mitigation actions. The Group aligns its climate-related risk disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures and relevant IFRS requirements to support transparent and decision-useful reporting.

Further details on DFI Group's climate risk management can be found in the Environment section of this Annual Report.



DRIVING SUSTAINABLE GROWTH AND LONG-TERM IMPACT

DFI Group creates value by strategically leveraging its key resources, or capitals, to enhance operational efficiency, foster innovation and embed sustainable business practices across its operations.

Integrating financial investment, skilled human capital and responsible sourcing enables the Group to transform key inputs into tangible outputs, including high-quality products, efficient manufacturing processes and consistent customer experiences.

This value-creation approach reflects the Group's commitment to delivering long-term value for a broad range of stakeholders, including shareholders, employees, customers, suppliers and local communities. It illustrates how strategic decision-making, operational execution and collaborative partnerships support business performance while remaining aligned with stakeholder expectations.

Through this integrated model, DFI Group strengthens its resilience in a dynamic business environment while contributing to wider societal and environmental objectives. These outcomes underpin long-term business sustainability and reinforce the Group's role as a responsible and forward-looking organisation.

Capitals	Input	Output	Outcome and Impact	Mapped UNSDGs
Financial Capital	Revenue from sales and investments in sustainable initiatives.	Profit from operations and returns from investments.	Financial growth, market share expansion and profitability. Supports long-term business sustainability.	8, 9
Manufactured Capital	Retail outlets, manufacturing plants and logistics infrastructure.	Efficient operations, high-quality products and optimised supply chains.	Increased operational capacity, enhanced production efficiency and expanded distribution reach. Contributes to infrastructure development and industry competitiveness.	9
Intellectual Capital	R&D, global retail expertise, automotive component design and innovation.	New product offerings, improved manufacturing processes and enhanced customer engagement.	Market differentiation through innovation, competitive advantage and customer loyalty. Contributes to industry leadership and sustainable product offerings.	9, 12
Human Capital	Skilled workforce, employee training and leadership development.	High employee performance, quality service and improved production.	Enhanced productivity, strong employee engagement and retention. Promotes social well-being and economic participation.	4, 8
Natural Capital	Sustainable material sourcing, energy efficiency and resource management.	Reduced environmental footprint, energy and water savings.	Lower carbon emissions, efficient resource use and waste minimisation. Drives environmental sustainability.	12, 13
Social & Relationship Capital	Strong relationships with suppliers, customers, communities and investors.	Increased loyalty, robust partnerships and positive community impact.	Enhanced reputation, trust and social responsibility. Contributes to economic development and societal progress.	10, 17

DFI Group Strategic Objectives

Our Customers	• Provide an exceptional customer experience by delivering products at competitive prices, while maintaining high standards of product excellence, operational efficiency and service to strengthen customer satisfaction, trust and lasting relationships.
Our People	• Foster a supportive and inclusive work environment that promotes employee satisfaction, engagement and long-term loyalty.
Our Business	• Driving sustainable growth across retail and manufacturing operations through operational excellence, responsible business practices, product and service reliability, sound governance and long-term value creation for stakeholders.
Our Environment	• Implement robust measures to minimise the environmental footprint of our supply chain by optimising resource consumption and ensuring responsible waste management practices.
Our Community	• Build and nurture strong relationships with local communities, contributing to their well-being and supporting sustainable development initiatives.

CONNECTION BEYOND BOUNDARIES: ENGAGING OUR STAKEHOLDER UNIVERSE

DFI Group engages proactively with its stakeholders, including customers, regulators, employees, suppliers, investors and local communities. Through structured surveys, direct consultations and continuous feedback channels, the Group leverages stakeholder insights to inform strategic decisions, enabling the company to address emerging challenges, identify material risks and seize opportunities swiftly.

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Customers	- Corporate website - Feedback forms - Social media - Loyalty programme - OEM Supplier Associations - Joint development meetings - Quality audits & certifications - Contract negotiations - Technical collaboration platforms - One-to-one strategy reviews - Informal engagements and networking events	- Quality of products and services - Product prices and promotions - Creating a delightful shopping experience - Consistent product quality & reliability - On-time delivery & supply chain resilience - Competitive manufacturing costs - Compliance with regulatory and sustainability standards - Long-term partnership and innovation support	- Ensuring high customer satisfaction through stringent quality control. - Regular product pricing reviews and attractive promotions. - Training employees to deliver superior customer service. - Implement stringent quality assurance and continuous improvement systems - Optimise production efficiency and cost structures while maintaining compliance - Invest in sustainable manufacturing practices and certifications - Collaborate closely with OEMs on product development and innovation roadmaps - Use informal engagements to build trust, strengthen relationships and capture unstructured feedback	- Drives product range decisions based on customer feedback. - Influences pricing and promotional strategies to increase sales. - Enhances customer loyalty and repeat business. - Supports overall brand reputation and long-term customer relationships. - Shapes manufacturing process improvements and technology investments - Influences CAPEX decisions to align with OEM requirements - Strengthens long-term contracts and joint venture opportunities - Enhances reputation as a reliable, compliant and innovative manufacturing partner - Supports sustainability positioning in global supply chains

Sustainability REPORT (cont'd)

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Employees	- Annual performance review - Intranet portal - Email communications - Internal meetings - Townhalls and leadership dialogues - Employee surveys and suggestions schemes - Informal engagements - Health and safety activities	- Work-life balance and welfare - Career progression and training - Benefits and rewards - Workplace safety and compliance - Transparent communication and inclusion - Recognition and fair treatment	- Implementing robust wellness and training programs. - Strengthening recognition and reward systems. - Regular health and safety initiatives to ensure a safe work environment. - Provide clear career pathways and continuous learning opportunities - Foster open communication channels and an inclusive culture - Encourage informal engagements to build trust and morale	- Aligns HR strategies with employee needs, improving retention and reducing turnover. - Supports business productivity through continuous training and skills development. - Strengthens workplace culture engagement and innovation - Reduces turnover and enhances long-term organisational performance - Enhances compliance and reduces operational risks - Builds long-term organisational resilience and performance
Board of Directors	- Board meetings - Email communications - Committee reviews (Audit Committee and Risk Committee) - Informal engagements	- Regulatory compliance - Economic and financial performance - Corporate governance and risk review - Risk management and oversight - Long-term strategic direction - Transparency and accountability	- Regular updates on governance, compliance and financial health. - Transparent reporting on financial and strategic developments.	- Aligns business strategies with long-term governance goals. - Drives decisions on corporate performance and risk management. - Maintains ongoing compliance with applicable regulations and shapes corporate policies accordingly. - Provides direction on strategic planning and risk mitigation.

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Government and regulators	- Formal meetings - Dialogues	- Regulatory compliance - Economic performance - Societal welfare	- Strict adherence to local and international regulations. - Regular discussions on societal and environmental impacts.	- Monitors and manages compliance obligations to reduce the risk of fines or sanctions. - Shapes strategy to align with regulatory changes and national welfare goals. - Influences decision-making regarding environmental and social policies.
Investors	- Media release - Website investor relations section - SGX announcements - Dialogues - Annual Reports	- Regulatory compliance - Financial performance - New development of the Group - Return on investment and dividend distribution	- Regular communication through reports and meetings. - Responding to financial and ESG-related questionnaires.	- Strengthens investor confidence and market performance. - Aligns business strategy with investor expectations and ESG goals. - Influences decisions on capital allocation and long-term growth plans. - Supports transparency in financial reporting.
Suppliers	- Meetings and dialogues - Email communications - Trade fairs and events	- Responsible and sustainable practices throughout the supply chain - Fair and transparent procurement - Capacity building	- Engaging suppliers to understand their needs and ensure long-term business relations. - Supporting supplier development through training.	- Strengthens supplier relationships, ensuring reliability. - Integrates sustainable sourcing practices into procurement strategies. - Promotes continuous improvement in the supply chain. - Enhances operational efficiency by fostering collaboration.

Sustainability REPORT (cont'd)

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Financiers	- Financial reports - Regular meetings	- Compliance with financiers' terms and conditions - Timely and regular updates on financial performance, business strategy and additional investor requirements	Consistent communication through in-person meetings and conference calls.	- Builds trust with financial partners, ensuring continued access to capital. - Aligns financial strategy with investment and growth objectives. - Strengthens relationships with key financiers to support business expansion. - Helps in securing favourable financing terms.
Local communities	- Donations and philanthropic activities - Community investments	- Supporting local communities in social, environmental and capacity development - Fostering collaborative partnerships	- Regular community outreach initiatives. - Supporting local development through partnerships.	- Enhances brand image and fosters goodwill in the community. - Strengthens relationships with local stakeholders and organisations. - Supports long-term community development and social impact. - Helps in maintaining a positive reputation as a responsible corporate citizen.

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY

This year, we have reaffirmed our commitment to double materiality, especially following DFI's acquisition of UIG. The materiality assessment has been revamped to reflect our expanded operations. Key topics have been redefined and restructured to better align with both our operational goals and broader sustainability objectives. This ensures that our business and sustainability strategies align with evolving stakeholder expectations and regulatory requirements.

METHODOLOGY

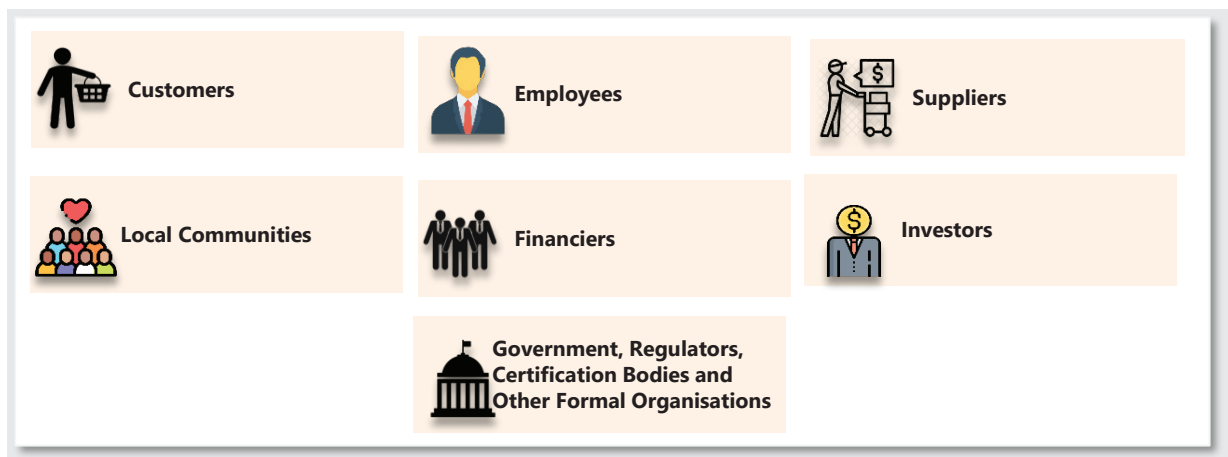
In the last quarter of FY2026, an external consultant was engaged to gather stakeholder feedback on critical sustainability areas. A stakeholder survey was conducted to capture the views of different stakeholder groups on the importance of specific sustainability topics, with the results averaged to determine the overall stakeholder score. These ratings provided valuable insights that helped guide our priorities.

The Board also assessed these topics from both ESG and financial perspectives through a leadership survey, further strengthening our integrated approach to managing risks and opportunities. The Group then incorporated the financial indicators from this assessment into the "Impact on DFI Group" axis, which now reflects both ESG and financial aspects.

The Group positioned its final materiality topics by averaging the ESG impact score from stakeholder and leadership assessments with the financial impact score. This approach gives equal weight to sustainability impact and financial relevance in determining our priorities.

This updated materiality process enhances our decision-making, driving long-term value by addressing the impact of our operations on both financial performance and the environment.

Stakeholders Invited to Complete the Materiality Assessment



Sustainability REPORT (cont'd)

CREATING A GLOBAL IMPACT THROUGH MATERIALITY

A thorough mapping process aligned the Group's materiality considerations with the UNSDGs by correlating the identified material aspects in operations with the corresponding UNSDGs. This mapping illustrated how the Group's strategic priorities and sustainability initiatives align with the United Nations' global agenda.

Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	Alignment to UNSDG
Environment					
Climate Change and Emissions	Managing carbon emissions and strengthening our response to climate impacts and opportunities across all operations	- Reduced operating costs through energy efficiency - Access to green financing - Long-term sustainability through emission reduction	- Rising energy costs - Regulatory carbon taxes - Supply chain disruptions due to climate events	- Natural capital - Financial capital	  
Energy	Minimising energy consumption, improving efficiency and exploring cleaner energy options.	- Enhanced operational efficiency - Cost savings through energy management	- Volatility in energy prices - Transition risks in energy systems	- Natural capital - Manufactured capital	  
Waste and Resources	Managing waste responsibly, including waste minimisation and recycling, while improving the efficiency of material use.	- Cost savings from material efficiency - Positive brand reputation through sustainable practices	- Increased waste disposal costs - Regulatory non-compliance	- Natural capital - Manufactured capital	 
Water	Responsible use of water and proper discharge of wastewater from facilities and sites.	- Reduced operational costs through water conservation - Enhanced resilience to water-related disruptions	- Regulatory pressure on water use - Risks to operations in water-scarce regions	Natural capital	
Pollution and Environmental Impact	Having measures to prevent pollution (air, noise, soil, water) and minimising environmental impacts from operations	- Reduced environmental liabilities - Strengthened community and regulatory trust	- Environmental fines and penalties - Reputational risks from environmental damage	- Natural capital - Social & relationship capital	  

Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	Alignment to UNSDG
Social					
Safety and Wellbeing	Providing a safe, healthy and supportive work environment	- Improved productivity and employee morale - Enhanced reputation as an employer of choice	- Workplace accidents - Health-related absenteeism	- Human capital - Social and relationship capital	  
Talent Development	Upskilling employees, improving competencies and supporting career development	- Stronger workforce capability - Improved employee retention and loyalty	- Skills shortages or gaps in key areas - High employee turnover impacting productivity	- Human capital - Social and relationship capital	 
Diversity, Equity and Inclusion	Ensuring fair treatment, equal opportunities and respect for workforce diversity	- Broader talent pool - Stronger decision-making through diverse perspectives	- Lack of diversity leading to innovation stagnation - Reputational damage from perceived inequities	- Human capital - Social and relationship capital	 
Quality and Safety	Delivering safe, reliable and compliant products and services that meet customer expectations and quality standards	- Customer loyalty through high-quality offerings - Competitive differentiation in the market	- Product recalls or quality issues - Customer dissatisfaction and loss of market share	- Manufactured capital - Intellectual capital	 
Responsible Business	Ensuring positive customer interactions, transparency and ethical practices	- Strengthened trust and relationships with stakeholders - Improved long-term financial performance through ethical practices	- Breaches of ethical or regulatory standards - Reputational risks from unethical business practices	- Financial capital - Social & relationship capital	
Community	Supporting local communities through positive social impact	- Strengthened community relations - Enhanced corporate image and brand loyalty	- Community opposition or dissatisfaction - Risks from failing to meet local community expectations	- Intellectual capital - Social & relationship capital	 

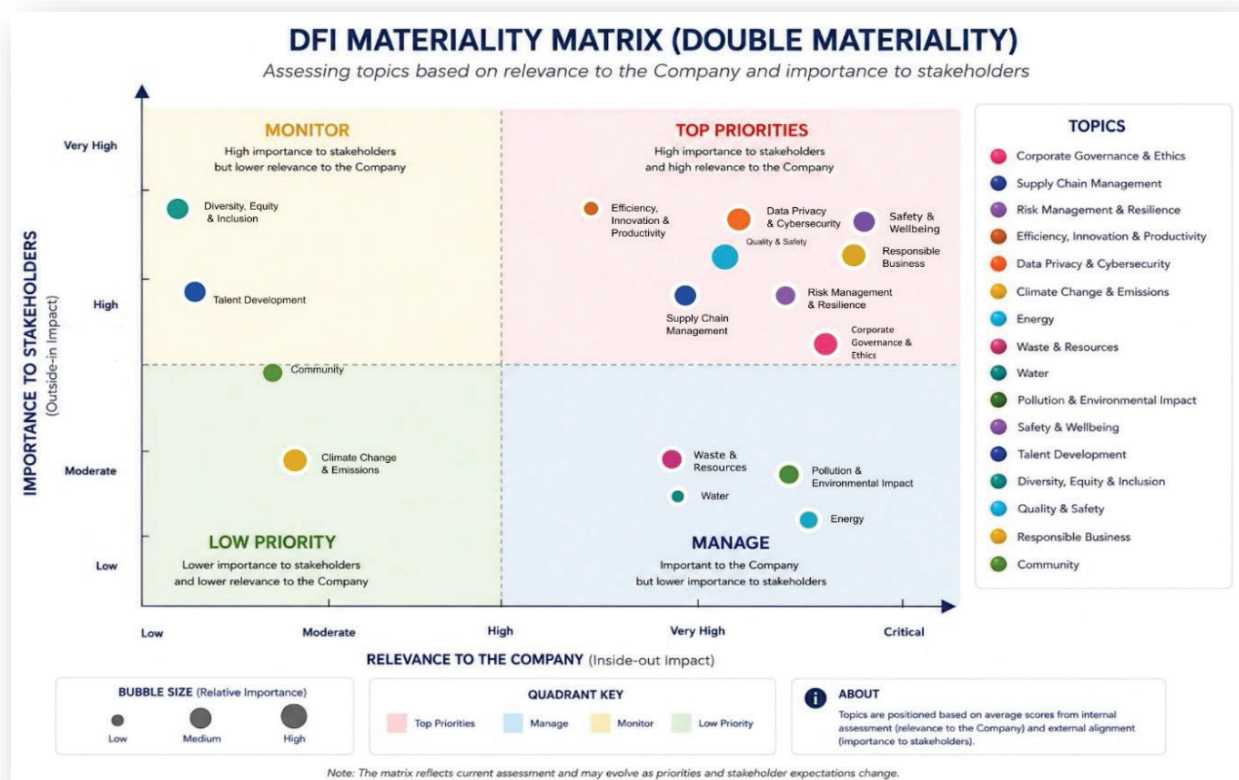
Sustainability REPORT (cont'd)

Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	Alignment to UNSDG
Governance					
Corporate Governance & Ethics	Maintaining strong governance, ethical conduct and compliance with laws.	- Stronger investor confidence - Improved long-term strategic alignment	- Governance failures - Regulatory non-compliance or legal risks	- Financial capital - Intellectual capital	 
Supply Chain Management	Working with suppliers to ensure quality, ethical and ESG standards, while managing risks across the supply chain	- Improved supplier reliability and performance - Long-term cost savings from sustainable sourcing	- Supply chain disruptions - Non-compliance with sustainability or ethical standards	- Financial capital - Manufactured capital - Social & relationship capital	 
Risk Management & Resilience	Managing operational, strategic and climate-related risks while maintaining financial stability.	- Enhanced business continuity - Improved long-term strategic planning	- Inadequate risk preparedness - Exposure to environmental or supply chain shocks	- Human capital - Financial capital	  
Efficiency, Innovation and Productivity	Enhancing productivity, cost efficiency and sustainability performance through technology, R&D and digitisation	- Competitive advantage through innovation - Cost reduction through improved productivity	- Stagnation in innovation - Operational inefficiencies impacting profitability	- Manufactured capital - Intellectual capital	
Data Privacy and Cybersecurity	Protecting business, employee and customer information from cyber threats.	- Increased customer trust and satisfaction - Stronger regulatory compliance	- Cybersecurity breaches - Loss of customer data and trust	- Intellectual capital - Financial capital	  

Materiality Matrix

The matrix below illustrates the Group's latest materiality assessment, plotting sustainability topics by their significance to stakeholders and potential impact on the organisation. The vertical axis represents stakeholder perspectives on ESG effects, while the horizontal axis reflects the Board's evaluation of each topic's financial and ESG implications. Topics in the upper-right quadrant are considered most material and will inform the Group's strategic priorities, sustainability initiatives and risk oversight.

The Group also incorporated an external alignment assessment by benchmarking material topics against relevant sustainability frameworks, investor priorities and industry peer disclosures. This process helped identify topics receiving heightened external focus and informed the weighting and relative prominence of topics within the materiality matrix. By integrating these external perspectives, the Group strengthened alignment with evolving stakeholder expectations, sustainability reporting developments and broader market trends.



ECONOMIC VALUE CREATION

Our Management Approach

The Group's approach to economic value creation is grounded in responsible business practices and sustainable growth, enhancing the customer experience in both the duty-free retail and automotive component parts manufacturing sectors. The Group drives long-term revenue, creates employment opportunities and fosters strong supplier partnerships while adhering to sustainable principles and responsible financial stewardship. Committed to high standards of corporate governance, professionalism and integrity, supported by robust internal controls and risk management systems, the Group ensures meaningful contributions to both the duty-free retail and manufacturing industries.

Policies, Principles and Commitments

- Singapore Financial Reporting Standards ("FRSs")
- Singapore Companies Act, 1967
- Malaysia Companies Act 2016
- Singapore Code of Corporate Governance
- Malaysia Code on Corporate Governance ("MCCG")
- Requirements by Singapore Stock Exchange on sustainability disclosures
- Code of Conduct

Monitoring and Control Systems

- Financial reporting
- Internal audit
- Risk assessment
- Compliance training
- Whistle-blowing

GROWTH THROUGH DIVERSIFICATION AND PORTFOLIO STREAMLINING

DFI Group drives economic growth through a diversified portfolio that spans duty-free retail and automotive component parts manufacturing. This strategic expansion strengthens revenue streams, enhances financial resilience and positions the Group for sustainable long-term growth across complementary sectors.

Through its operations, the Group contributes directly and indirectly to job creation, community development and regional prosperity. The addition of automotive component parts manufacturing reinforces the industrial base by creating high-skilled employment opportunities and strengthening local supply chains.

At the same time, DFI's duty-free retail operations support tourism and the travel retail sector, contributing to national economic activity. Offering travellers a distinctive and curated shopping experience attracts international spending that benefits both local communities and the wider economy.

Across all its businesses, DFI contributes to public finances through corporate income tax payments. As the Group continues to streamline and grow its portfolio, it deepens its role in strengthening economic resilience and supporting sustainable growth in the regions it serves.

ACQUISITION OF UNITED INDUSTRIES HOLDINGS SDN. BHD.

In FY2026, DFI completed its largest acquisition to date with the purchase of UIG from Atlan Holdings Bhd. The transaction, completed on 31 October 2025, represents a significant milestone in the Group's strategic development and marks a deliberate expansion beyond its established duty-free retail operations.

UIG operates within the automotive component parts manufacturing sector, introducing a complementary yet distinct capability to DFI's portfolio. The acquisition strengthens the Group's industrial presence and broadens its operational scope into manufacturing and supplying automotive component parts activities.

This strategic move advances DFI's long-term diversification agenda. By integrating the business segment for the manufacturing and supply of automotive component parts into the Group, DFI enhances its access to new markets, expands its exposure to manufacturing value chains and establishes additional pathways for sustainable growth beyond the retail sector.

REFINING OUR RETAIL FOOTPRINT

In FY2026, DFI closed its retail outlets in the state of Johor following changes in state government policy that affected their commercial viability. In addition, the outlet in Langkawi ceased operations in mid-January 2026 due to major refurbishment works undertaken by the landlord. After reviewing the revised rental terms and prevailing market conditions, the Group decided not to resume business operations at the Langkawi site upon completion of refurbishment.

These decisions reflect disciplined portfolio management in response to external developments, including:

- Regulatory and policy changes
- Shifts in rental economics
- Evolving retail and tourism dynamics

While the closures reduce short-term revenue from the affected locations, they strengthen capital allocation discipline and support the optimisation of DFI's retail footprint towards markets with stronger long-term potential. The Group continues to support employment, contribute to local communities and promote regional economic activity, particularly in tourism and travel retail.

Across its remaining operations, DFI continues to generate economic contribution through:

- A diversified product range
- Strategic pricing and targeted marketing
- Strong supplier partnerships that support product quality and supply chain reliability

The following table sets out DFI's value distribution to its key stakeholder groups.

RM ('000)	FY2024	FY2025	FY2026
Economic Value Generated (Revenue and other income, net of operating expenses)	52,731	97,234	79,874
Economic Value Distributed			
- Employees (Salary and other benefits)	15,391	19,866	24,502
- Government (Income tax)	3,700	3,787	5,108
- Providers of capital (Dividends and finance costs)	17,875	32,578	12,777
- Community (Donations)	266	1,162	202
Total Economic Value Distributed	37,232	57,393	42,589

For further insights into the Group's economic performance for FY2026, please refer to pages 138 to 226 of DFI's Annual Report FY2026.

EXPLORING E-COMMERCE OPPORTUNITIES TO ENHANCE OPERATIONAL EFFICIENCY

Following the review and closure of selected retail outlets, DFI is evaluating e-commerce as part of its broader strategy to enhance operational efficiency and long-term resilience. This exploration aligns with the Group's sustainability objectives and responds to evolving consumer behaviour and the continued digitalisation of the retail sector.

The transition presents potential opportunities across three key dimensions:

Environmental Efficiency

- Reduced energy consumption from physical retail operations
- Lower store-related lighting, cooling and infrastructure requirements
- Streamlined logistics and consolidated deliveries
- Reduced material usage in fixtures and in-store inventory management

Customer Accessibility

- Pre-order and collect services for travellers
- Greater convenience for digitally engaged customers
- Expanded reach beyond physical store locations
- Ability to serve a broader international customer base

Operational Optimisation

- Reduced reliance on high-cost physical retail space
- Potential cost efficiencies through digital infrastructure
- Reinvestment into platform enhancement and logistics systems
- Greater flexibility to respond to demand across locations

DFI continues to assess the commercial and operational viability of this transition. Combining digital capability with sustainability considerations strengthens competitiveness while supporting environmental performance and customer convenience in an increasingly digital marketplace.

While for the automotive component parts manufacturing segment, UIG considers e-commerce less material to its manufacturing-focused B2B business model, as long-term customer relationships, customised orders and direct negotiations primarily drive sales rather than online transactions. UIG engages most customers through established business channels and recurring orders, reinforcing a relationship-based approach to customer management.

UIG's role as an automotive component parts manufacturer extends well beyond production planning, technical specifications, quality control and delivery coordination. Its operations are deeply integrated with direct customer engagement, reflecting the complexity of managing engineering requirements, compliance standards, and supply chain alignment in a highly regulated industry. This relationship-driven and operationally intensive business model stands in sharp contrast to the Group's duty-free retail operations, where digital channels primarily enhance customer accessibility and transactional convenience rather than technical collaboration.

Given the relationship-driven nature of its manufacturing business, UIG does not rely on e-commerce to support operations, sales performance or customer relationships. As such, limited e-commerce adoption does not materially affect UIG's business performance or operational effectiveness.

SUPPLY CHAIN MANAGEMENT

DFI Group builds its supply chain strategy on operational efficiency, sustainability, product quality and strong supplier relationships. The Group prioritises responsible sourcing and supplier collaboration to support business continuity, customer satisfaction and long-term growth.

Both DFI and UIG maintain supply chain governance through regular evaluations of key suppliers, focusing on financial stability, product quality and authenticity, compliance, pricing competitiveness, delivery reliability and operational capability. Open communication with suppliers is maintained to align with the Group's operational standards and long-term objectives.

Regular supplier engagement and site visits support operational improvements across both businesses. For DFI, these engagements support product placement, display optimisation, promoter training and storage efficiency. UIG drives operational excellence by implementing and supporting process improvements, enhancing production efficiency, optimizing inventory management, and maintaining rigorous quality control across its manufacturing activities. Close collaboration with suppliers enables UIG to embed best practices across its operations, strengthening process discipline, improving overall effectiveness, and enhancing the customer experience. In FY2026, DFI and UIG conducted workplace safety and operational briefings to reinforce safe work practices, proper handling of machinery and equipment, warehouse organisation and operational efficiency, while promoting a safer working environment across operations.

SUPPLIER ENGAGEMENT AND RELATIONSHIP BUILDING

In FY2026, DFI Group strengthened supplier engagement through targeted training, audits and site visits. These initiatives reinforce operational standards and strengthen accountability across the supply chain.

These efforts were operationalised through focused supplier initiatives across both the duty-free retail and automotive component parts manufacturing segment, as outlined below.

Duty free retail segment	DFI collaborates with Brown-Forman, a leading global spirits and wine company. Through this partnership, DFI implemented structured training programmes that enhance product quality, strengthen compliance and support sustainability within its duty-free operations.
Automotive component parts manufacturing segment	UIG continues to prioritise supplier safety awareness. On 16 January 2026, UIG conducted a briefing outlining site entry requirements and vehicle regulations to reinforce adherence to safety standards across its operations.

SUSTAINABILITY AND COLLABORATION WITH SUPPLY CHAIN PARTNERS

DFI Group integrates sustainability into its supply chain strategy by working closely with multinational brand principals that maintain established ESG programmes. Through these partnerships, the Group strengthens alignment with recognised standards and embeds responsible practices across its supply chain.

Duty free retail segment	Automotive component parts manufacturing segment	DFI Group
Collaborates with suppliers to implement practical sustainability initiatives that support the Group’s environmental objectives and contribute to the achievement of its broader sustainability targets, including: • Pallet recycling programmes • Reduction of paper usage across operations • Collection and recycling of empty glass bottles	Reinforces community engagement through local hiring and structured talent development initiatives. This approach strengthens workforce retention while contributing to long-term skills development within the communities it serves, including: • Prioritises recruitment from local communities • Collaborates with local universities to offer internships and industrial placements • Supports the development of a sustainable local talent pipeline	Prioritises local sourcing to enhance supply chain resilience and strengthen community linkages. This approach: • Reduces supply chain risks • Supports local suppliers and businesses • Contributes to regional economic participation

OPERATIONAL EFFICIENCY AND LOGISTICS OPTIMISATION

Operational efficiency remains a core priority for DFI Group. In FY2026, the Group’s duty-free arm streamlined its supply chain by consolidating all liquor products into a single warehouse, strengthening coordination and improving logistics performance across its retail network.

This consolidation delivered measurable operational gains, including:

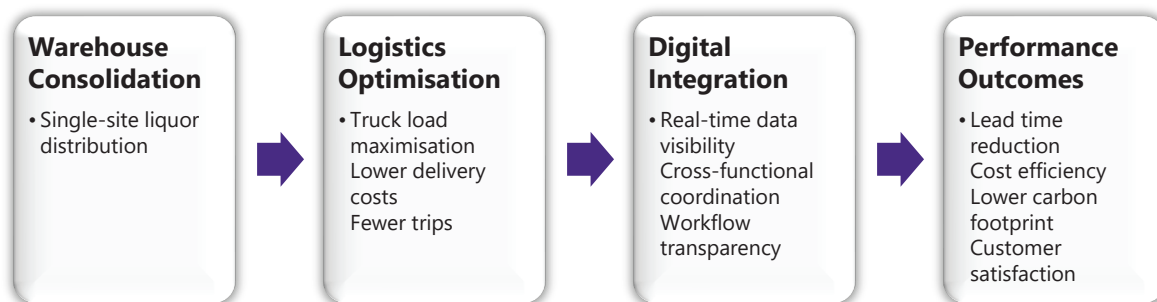
- Improved order fulfilment, picking and packing efficiency
- Optimised truck loading based on outlet demand
- Lower per-load delivery costs
- Reduced transportation-related carbon emissions

In parallel, DFI accelerated digitalisation across its operations. The Group replaced fragmented email and paper-based workflows with a real-time, Google-based data-sharing system. This platform enables shop, purchasing, warehousing and forwarding teams to access transparent, up-to-date information, strengthening coordination and eliminating delays caused by disconnected information flows.

These initiatives have generated tangible performance improvements:

- Lead times reduced from 2.5 months to 1.5 months
- Stronger cost management and logistics coordination
- Fewer delivery trips and lower transportation costs
- Faster response times and improved customer satisfaction

Through disciplined logistics optimisation and digital integration, DFI enhances operational resilience while supporting its sustainability objectives.



For manufacturing operations, UIG focuses on operational efficiency and logistics optimisation to support smooth production flow, timely delivery and cost-effective operations. Key activities comprise production planning, inventory management, warehouse organisation, procurement coordination and the efficient distribution of raw materials and finished goods. UIG works closely with suppliers and logistics partners to ensure delivery reliability, minimise disruptions and strengthen supply chain efficiency.

RESPONSIBLE SOURCING AND ETHICAL PRACTICES

DFI embeds responsible sourcing within its procurement approach by working closely with brand principals and authorised distributors to safeguard product authenticity and uphold quality standards. Through these direct relationships, the Group strengthens transparency and reinforces supply chain integrity.

The Group integrates sustainability into supplier engagement through practical initiatives and clearly defined evaluation criteria. Together, these measures support environmental performance while reinforcing ethical and operational standards across the supply chain.



Sustainability REPORT (cont'd)

Beyond environmental initiatives, DFI maintains strict ethical supply chain standards. The Group evaluates suppliers against established sustainability criteria and prioritises partners that demonstrate alignment with its expectations. Suppliers with a history of material non-compliance or regulatory violations are not engaged.

DFI upholds ethical labour practices across its supply chain, requiring fair treatment, safe working conditions and compliance with applicable international labour regulations. Through structured evaluation and ongoing engagement, the Group strengthens accountability and promotes responsible business conduct throughout its operations.

Similarly, for its manufacturing operations, UIG emphasises responsible sourcing and ethical business practices by working with suppliers that comply with applicable laws, quality standards and labour requirements. Regular supplier evaluations and engagement support product quality, workplace safety, transparency and accountability, reinforcing responsible procurement and sustainable manufacturing operations.

LOCAL SOURCING AND COMMUNITY DEVELOPMENT

DFI Group prioritises local sourcing where feasible, while balancing operational requirements, product quality and customer expectations with established supplier networks and international brands. The Group maintains strong partnerships with domestic suppliers, distributors, logistics providers and service partners to strengthen supply chain resilience and support local economic participation.

For the duty-free retail segment, a target of at least 50% local procurement is maintained with 62% achieved in FY2026, demonstrating continued progress against the commitment. However, for the automotive component parts manufacturing segment, certain materials are imported as some inputs are not available for local procurement. Continuous efforts will be made to increase local sourcing where feasible in support of sustainability objectives including strengthening local economic contribution and enhancing supply chain resilience.

Local Economic Contribution Framework

Local Procurement Focus Areas	Community and Economic Impact
•Raw materials •Packaging materials •Spare parts and engineering components •Capital expenditures •Promotional materials •Operational support services	•Support for local businesses •Strengthened domestic supply networks •Improved operational responsiveness •Contribution to national economic growth

The Groups remain committed to increasing local procurement where commercially and operationally viable. By sourcing locally for key operational and manufacturing inputs, the Groups can improve supply chain efficiency, enhance delivery reliability and support business continuity, while contributing to the growth and sustainability of domestic enterprises and local communities.

RESPONSIBLE AND ETHICAL PRACTICES

DFI demonstrates its commitment to responsible sourcing by procuring products directly from brand principals or authorised distributors to safeguard authenticity and uphold quality standards. Although ESG certification is not a primary selection criterion, given the limited pool of duty-free suppliers, the Group collaborates with partners that implement practical sustainability initiatives.

DFI works with vendors on measures such as pallet recycling and the collection of empty glass bottles for recycling. Several suppliers have also reduced paper usage by offering glass bottles without gift boxes, supporting packaging minimisation efforts across duty-free operations.

Consistent with this approach, UIG demonstrates its commitment to responsible sourcing by procuring raw materials, components and operational supplies from reputable suppliers that meet its quality, reliability and compliance standards. UIG works closely with suppliers to ensure consistent product quality, timely delivery and operational efficiency throughout the manufacturing process. Quality audits conducted on selected suppliers during the financial year indicated generally strong operational and compliance performance. While ESG certification may not be a primary selection criterion due to industry-specific supply limitations, ESG considerations form part of UIG's supplier evaluation and selection process. The Group encourages suppliers to adopt practical sustainability measures, including reducing material wastage, improving packaging efficiency, recycling production-related materials and optimising resource use within manufacturing operations. Supplier assessments carried out during the financial year reflected a consistently high level of performance across operational, quality and sustainability-related criteria.

The Group maintains equally stringent ethical standards across its supply chain. It prioritises suppliers that demonstrate strong social and environmental responsibility, including adherence to:

- Fair labour practices
- Safe and healthy working conditions
- Compliance with applicable international labour regulations

DFI Group does not engage suppliers with a history of material non-compliance or regulatory violations. Through disciplined supplier selection and ongoing engagement, the Group reinforces integrity, environmental stewardship and social accountability throughout its operations.

Sustainability Criteria Assessed within the Supply Chain

Environmental Supply Chain

- Climate change
- Energy use
- Water use
- Waste management
- Biodiversity
- Certifications and recognitions

Social Supply Chain

- Non-discrimination
- No child and forced labour
- Fair treatment
- Safety and health
- Certifications and recognitions

INDUSTRY PARTNERSHIPS AND MARKET CONNECTIVITY

DFI drives progress in the retail industry through active collaboration with key organisations such as the Malaysia Retailers Association and the Singapore Business Federation.

DFI participates in global trade fairs and events, offering our merchandisers and operations teams valuable opportunities to engage directly with brands, retailers, airlines, cruise lines and other industry stakeholders. These events, which feature themed workshops and networking sessions, offer insights into evolving consumer trends and industry innovations. Participating in these forums keeps DFI at the forefront of market developments, strengthens partnerships with brand principals and identifies emerging product opportunities.

Sustainability REPORT (cont'd)

DFI actively participates in industry associations, partnerships and collaborative sessions to help shape the industry's future. Key engagements include:

- Being appointed by Airlines for liquor and beer supplies.
- Serving as a logistics and warehouse service provider, supporting airlines' in-flight services.
- Attending prominent trade fairs and industry symposiums, such as TFWA Singapore, keeping the management team informed about the latest developments, strengthening relationships with brand principals and identifying emerging product trends.

Meanwhile, its Automotive arm actively collaborates with key industry associations and business networks, including:

- Honda Malaysia Supplier Club ("HMSC")
- Perodua Suppliers Association ("P2SA")
- Proton Vendor Association ("PVA")
- Toyota Suppliers Association ("TSA")
- Mazda Malaysia Vendors' Association
- Malaysian Automotive Component Parts Manufacturers Association ("MACPMA")
- Federation of Malaysian Manufacturers ("FMM")
- Malaysia Employers Federation ("MEF")

Through these engagements, the Automotive arm strengthens collaboration across the automotive supply chain, keeps abreast of evolving industry developments and regulatory expectations and supports the continuous enhancement of operational efficiency, workforce practices and supplier relationships within the automotive ecosystem.

ETHICAL BUSINESS CONDUCT

DFI Group is committed to upholding the highest standards of ethical conduct and integrity across all levels of its operations. Ethical business practices are fundamental to safeguarding the Group's reputation, maintaining stakeholder trust and ensuring long-term business sustainability.

POLICIES, STANDARDS AND ETHICAL FRAMEWORK

DFI Group governs ethical conduct through a comprehensive framework of policies and standards that define expectations across its operations. The Group briefs all employees on its updated Code of Conduct and Ethics during induction, reinforcing principles of integrity, compliance and responsible behaviour from the outset of employment.

The Code of Conduct operates alongside the Group's Anti-Corruption Procedures and Whistleblowing Policy to provide clear and consistent guidance on acceptable business practices. These policies address, among other matters:

- Management of charitable contributions and sponsorships
- Anti-corruption and conflict of interest safeguards
- Reporting and escalation mechanisms

The Group applies these standards consistently to employees, business partners, suppliers, contractors and agents, promoting a unified and disciplined approach to ethical conduct across the value chain.

INTEGRATION INTO BUSINESS OPERATIONS

DFI Group embeds ethical principles into its day-to-day operations and decision-making processes. The Group provides every employee with a personal copy of the Code of Conduct, reinforcing individual accountability and clear ownership of ethical responsibilities.

The Group extends these expectations beyond internal operations by incorporating ethical standards into its engagements with external parties. Through this approach, DFI upholds integrity not only within the organisation but also across its key business relationships, promoting consistent standards throughout its value chain.

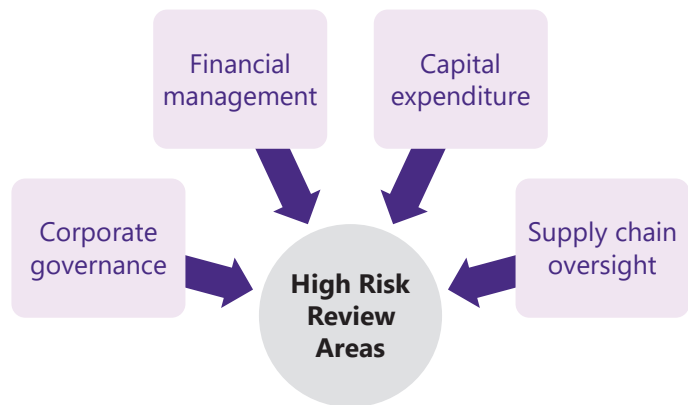
COMPLIANCE CONTROLS AND RISK MITIGATION

DFI Group adopts a proactive approach to identifying and managing ethical and compliance risks across its operations. The Group conducts due diligence on external partners to confirm alignment with its integrity standards, thereby reducing exposure to corruption and misconduct risks throughout the value chain.

The Group conducts regular, structured audits to evaluate compliance with internal policies, ethical principles and applicable laws and regulations. These reviews focus on higher-risk areas.

In addition to verifying compliance, the audits identify opportunities for process improvement and strengthening controls.

When reviews identify gaps or weaknesses, the Group promptly implements corrective actions to reinforce controls and strengthen compliance safeguards. Through disciplined oversight and continuous monitoring, the Group mitigates risk while promoting accountability and operational integrity.



TRAINING, AWARENESS AND MONITORING

Continuous education strengthens ethical awareness across the organisation. DFI Group requires all new employees to complete Anti-Bribery and Anti-Corruption training during onboarding to establish early alignment with corporate values and regulatory obligations.

The Group also provides targeted training for members of the leadership team, emphasising strategic compliance responsibilities, including obligations under the Malaysian Anti-Corruption Commission Act 2009. Ongoing monitoring and structured reporting support management and Board oversight, promoting transparency and accountability in the management of ethical conduct.

Through continuous training, leadership engagement and formal oversight mechanisms, the Group reinforces a strong ethical culture, strengthens risk management practices and enhances stakeholder confidence in the integrity of its operations.

WHISTLEBLOWING

DFI Group is committed to fostering a culture of integrity by providing secure, confidential channels for stakeholders to report misconduct. To ensure transparency and reinforce trust, the Group has implemented the following key practices:

- **Whistleblowing Policy:** This policy is communicated to all employees and business partners to protect individuals who report concerns in good faith from retaliation.
- **Reporting Mechanism:** All reports related to fraud, corruption, or ethical breaches are escalated to the Audit Committee, which evaluates each concern based on its severity and credibility.

ENVIRONMENTAL EXCELLENCE



Our Management Approach

DFI Group recognises the increasing climate and environmental risks affecting all sectors. With operations spanning duty-free retail and automotive component parts manufacturing, the Group acknowledges its responsibility to manage these challenges and reduce its environmental footprint. Climate change may influence travel and tourism patterns, which in turn affect duty-free retail performance, while manufacturing operations may face risks related to resource availability, energy consumption, supply chain disruptions and operational efficiency.

Through its manufacturing operations, UIG prioritises operational efficiency, resource optimisation and reducing production-related environmental impacts. Key initiatives include advancing energy efficiency, minimising material waste, streamlining production processes and reinforcing responsible sourcing practices across manufacturing activities.

The Group continues to focus on priority areas that support environmental performance and operational resilience. By integrating innovative technologies, operational improvements and sustainable practices, the Group enhances efficiency while reducing environmental impact across their respective operations.

Beyond internal initiatives, the Group collaborates with suppliers, logistics providers and infrastructure operators to manage climate-related risks and promote sustainability throughout its value chain. Through coordinated engagement and shared responsibility, the Group contributes to broader industry progress and supports the transition towards a more sustainable operating environment.



Policies, Principles and Commitments	Monitoring and Control Systems
• Environmental Policy • Environmental Act and relevant laws	• Energy consumption monitoring • Solar panel performance tracking system

ENERGY MANAGEMENT

DFI Group continues to reduce energy consumption and enhance resource efficiency through targeted technological and operational improvements. The Group implements energy-efficient measures across its operations, including:

- Optimised lighting systems
- Improved air conditioning performance
- Upgrades to operational equipment to reduce power usage

The Group monitors energy consumption patterns continuously and takes corrective action when necessary. Monthly maintenance inspections identify potential inefficiencies or irregularities, allowing the Group to address issues promptly and maintain optimal performance.

Effective energy management reduces environmental impact while supporting a safe, comfortable and welcoming retail environment. By optimising lighting levels and ambient temperature, the Group enhances the overall shopping experience while maintaining operational efficiency.

The Group's duty-free retail operations operate within highly regulated environments across both owned and leased premises. In leased locations, utility consumption, including water and energy usage, may depend on landlord-controlled infrastructure. Despite these structural constraints, DFI actively pursues sustainable solutions to improve resource efficiency and minimise environmental impact wherever feasible.

Its automotive component parts manufacturing segment, UIG, is evaluating the implementation of a Battery Energy Storage System ("BESS") to manage peak energy demand and strengthen energy resilience. BESS technology:

- Stores excess energy during off-peak periods
- Releases stored energy during peak demand
- Reduces reliance on grid electricity
- Improves overall energy efficiency

This initiative supports cost management while advancing sustainability objectives within the manufacturing operations. UIG intends to award the system contract in FY2027.

Lighting and Air Conditioning	• Transition to LED lighting as conventional bulbs reach end of life • Upgrade centralised air conditioning systems or convert to split units where feasible • Use A-rated equipment for air conditioning and refrigeration • Install timers for perimeter lighting • Stagger cooling tower activation • Switch off equipment in unused areas
Energy Efficiency	• Replace outdated equipment with inverter-based alternatives • Reduce overall power consumption through targeted upgrades
Supply Chain Efficiency	• Optimise transportation routes and delivery consolidation • Reduce logistics-related carbon emissions • Partner with suppliers and logistics providers aligned with sustainability goals
Monitoring and Maintenance	• Conduct monthly electricity bill reviews to detect irregular usage • Investigate and rectify identified inefficiencies • Engage qualified vendors to maintain solar panels • Monitor solar systems to ensure optimal performance
Renewable Energy	• Remove physical obstructions at solar installations in Padang Besar and Melaka outlets • Evaluate additional solar installations based on consumption trends and long-term savings potential

RENEWABLE ENERGY

DFI Group integrates renewable energy into its operations to meet growing energy demand, with solar power playing a central role in its transition strategy.

DFI Group's Renewable Energy Impact

Duty free retail segment	DFI installed rooftop solar panels at the Padang Besar outlet. With a total installed capacity of 211.3 kWp, the system generated 276.9 MWh of electricity in FY2026 and delivers average monthly savings of RM11,746.
Automotive component parts manufacturing segment	UIG completed Phase 2 of the solar installation at Block F, Meru Plant 1 and Phase 3 at Pegoh Plant 2 in June 2025. These phases required a total investment of RM 1.95 million and are expected to generate approximately 70,000 kWh of electricity per month, subject to weather conditions.

These initiatives support the Group's commitment to:

- Reducing its carbon footprint
- Lowering reliance on non-renewable energy sources
- Achieving sustained cost efficiencies

To safeguard long-term performance, the Group engages qualified vendors to maintain solar-equipped facilities and actively monitor system output. Regular panel cleaning prevents dirt accumulation and protects generation efficiency, while removing shading or physical obstructions ensures optimal sunlight absorption and maximum system capacity.

WATER EFFICIENCY

The Group prioritises sustainable water management by optimising operational processes and reducing unnecessary consumption. At its automotive component parts manufacturing segment, UIG has implemented rainwater harvesting systems for flushing and irrigation. The duty-free retail segment is evaluating similar systems for plant irrigation and general cleaning at selected sites.

Water Management Framework

Water Management Practices

- Conduct monthly reviews of water bills to identify unusual spikes
- Investigate and rectify identified defects promptly
- Install awareness signage at water access points to encourage responsible usage

Monitoring and Measurement

- Track water consumption through monthly billing analysis
- Perform daily piping inspections by facility teams

Leak Detection and Prevention

- Conduct daily facility checks using structured check sheets
- Identify and address water leaks across outlets and manufacturing sites

Water Audits

- Carry out periodic water consumption audits
- Implement corrective actions to address inefficiencies

Through structured monitoring, preventive maintenance and targeted efficiency initiatives, the Group strengthens water stewardship while supporting operational resilience and environmental responsibility.

EFFECTIVE CLIMATE MANAGEMENT

DFI Group recognises climate change as a material risk and an emerging strategic opportunity that may influence its operations, supply chains and long-term competitiveness. The Group is committed to proactively addressing climate-related risks while pursuing opportunities to enhance operational efficiency and strengthen resilience. Through structured governance, disciplined risk management and targeted performance monitoring, DFI Group seeks to minimise environmental impact, reduce exposure to regulatory and market developments and support sustainable value creation across its duty-free retail and automotive component parts manufacturing businesses.

CLIMATE GOVERNANCE

The Board oversees climate-related risks and opportunities and integrates these considerations into the Group's overall strategy and decision-making processes. Governance documents and committee mandates clearly define this responsibility, establishing accountability at the highest level. Climate-related factors are embedded within the Group's core governance frameworks and aligned with its long-term strategic objectives.

To support effective oversight, the Board regularly evaluates the skills and expertise required to manage climate-related matters. The Group conducts ongoing training to strengthen understanding of emerging sustainability issues, regulatory developments and evolving market expectations.

Sustainability REPORT (cont'd)

Management is responsible for the day-to-day identification, assessment and management of climate-related risks and opportunities and provides the Board with regular updates. Climate considerations are reviewed within major transactions, capital allocation decisions and enterprise risk management processes to ensure alignment with strategic priorities.

The Board also sets and monitors climate-related targets, reviews progress against established initiatives and ensures that climate-related performance remains consistent with the Group's broader business objectives.

CLIMATE STRATEGY

DFI Group's climate strategy reflects the nature of its operations as a duty-free retailer and automotive component parts manufacturer. The Group's exposure to climate-related risks and opportunities is shaped primarily by international mobility patterns, global supply chains, regulatory developments and evolving consumer expectations.

The Group embeds climate considerations into strategic planning, procurement decisions, operational management and capital allocation processes. Rather than treating climate change as a standalone environmental issue, the Group assesses its potential effects on revenue stability, cost structures, supplier continuity and long-term competitiveness.

BUSINESS MODEL AND VALUE CHAIN EXPOSURE

DFI Group's business model is closely connected to international travel flows and global sourcing networks. Primarily, the Group's duty-free retail operations operate within landlord-controlled premises, such as airports, border locations, downtown complexes and seaports, thereby limiting direct exposure to structural physical asset risks.

Accordingly, climate-related exposure within retail centres on operational energy consumption, supply chain resilience, regulatory developments and shifting consumer expectations, rather than direct asset vulnerability. Changes in passenger traffic patterns, packaging requirements and environmental standards may influence product availability, cost structures and operational practices.

Within automotive component parts manufacturing, the Group faces transition risks associated with tightening environmental standards, supplier decarbonisation requirements and shifting market demand. Physical risks affecting suppliers or logistics networks may disrupt production continuity and procurement stability.

In response, the Group prioritises operational efficiency, strengthened supplier resilience, regulatory readiness and coordinated engagement across its value chain to enhance stability and long-term competitiveness across both retail and manufacturing segments.

TIME HORIZONS AND PLANNING ALIGNMENT

To assess climate-related risks and opportunities consistently within financial and strategic planning, DFI Group applies the following time horizons:

- Short term: up to 2030, aligned with near-term operational planning, budgeting cycles and ongoing climate transition measures
- Medium term: up to 2040, aligned with longer-term capital investment planning, infrastructure development and supply chain adaptation
- Long term: up to 2050, reflecting structural regulatory change, decarbonisation pathways, evolving market expectations and long-term climate resilience considerations

These definitions support the structured evaluation of climate-related considerations within the Group's planning and decision-making frameworks.

FINANCIAL PLANNING AND STRATEGIC IMPLICATIONS

The Group integrates climate-related risks and opportunities into its financial and operational planning processes. It reflects these considerations in operating expenditure forecasts, including energy and logistics costs, as well as compliance-related expenditure. They also inform capital investment decisions focused on operational efficiency and process improvements, supplier evaluation and procurement strategies and regulatory monitoring.

In the short to medium term, impacts primarily relate to cost management, supply chain resilience and efficiency initiatives across retail outlets and manufacturing operations, ensuring alignment between climate considerations and core business planning.

Over the longer term, regulatory developments and market shifts may influence sourcing strategies, product portfolios, capital allocation priorities and operational processes.

At the reporting date, management has not identified climate-related risks expected to result in material adjustments to asset or liability carrying amounts in the next reporting period. However, longer-term regulatory tightening, carbon-related pricing developments and supply chain disruptions may influence future cost structures and investment decisions.

SCENARIO ANALYSIS AND STRATEGIC RESILIENCE

DFI Group applies climate-related scenario analysis to assess how different climate pathways, including regulatory tightening, carbon cost escalation and increasing frequency and severity of extreme weather events, could affect its operations, supply chain and broader business resilience over time.

The assessment considered both physical climate risks and transition-related risks, enabling DFI to better understand potential implications for international travel flows affecting retail performance, global supply chain stability, production continuity in manufacturing operations, operating expenditure, capital investment requirements and operational efficiency.

Climate-related risks were assessed across short-, medium- and long-term time horizons, recognising that climate-related impacts may emerge progressively over time. The scenario analysis was conducted during FY2026 using information and assumptions available at the reporting date. The assessment covered DFI's Malaysian operating footprint, including relevant retail, office, supply chain and accommodation-related operations where climate-related exposure may arise.

Time Horizon	Period	Strategic Consideration
Short term	2030	Near-term operational planning and emerging regulatory developments
Medium term	2040	Evolving climate conditions and adaptation planning
Long term	2050	More pronounced climate and transition-related impacts

To assess physical climate resilience, DFI evaluated multiple warming pathways using CMIP6-aligned climate projections under the Shared Socioeconomic Pathways ("SSPs"), informed by assumptions reflected in the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report ("AR6"). Transition-related risks were assessed using selected Network for Greening the Financial System ("NGFS") Phase 5.1 climate transition scenarios, namely Net Zero 2050, Delayed Transition and Current Policies, to evaluate the implications of evolving climate policies, carbon pricing and decarbonisation pathways. Key assumptions incorporated in the assessment included projected climate pathways, regional weather conditions, carbon pricing trajectories, energy usage patterns and evolving regulatory developments.

Overall, the assessment indicates that DFI's climate-related exposure remains concentrated rather than systemic, with risks generally affecting selected locations depending on geography, drainage conditions and surrounding infrastructure. Extreme heat emerges as the most pervasive long-term physical climate risk, while flood-related risks remain concentrated at selected structurally exposed locations. From a transition perspective, projected carbon cost exposure remains comparatively manageable relative to DFI's financial profile under the scenarios assessed, supporting the resilience of the Group's business model across multiple climate futures. DFI will continue refining its climate-related scenario analysis over time as data availability, climate science and regulatory expectations evolve.

Diversification across product categories, supplier networks and geographic markets further supports operational flexibility and risk dispersion, strengthening resilience against localised disruptions.

Summary of Physical Climate Risk Outlook

The table below summarises indicative portfolio-level physical climate risk across DFI's Malaysian operating footprint based on current climate projections and scenario analysis.

Climate Hazard	2030	2040	2050	Commentary
Extreme Heat	○●○○○	○○●○○	○○○○●	Most pervasive long-term risk across the portfolio
Flooding (Integrated Flood Exposure)	○●○○○	○●○○○	○○●○○	Concentrated at selected structurally exposed locations
Coastal Inundation	●○○○○	●○○○○	●●○○○	Limited, localised coastal sensitivity
Tropical Cyclone	●○○○○	●○○○○	●○○○○	Limited exposure to severe winds in Malaysia
Landslide	●○○○○	●○○○○	●●○○○	Primarily site-specific terrain sensitivity
Drought	●○○○○	●○○○○	●○○○○	Limited sensitivity under Malaysian rainfall conditions

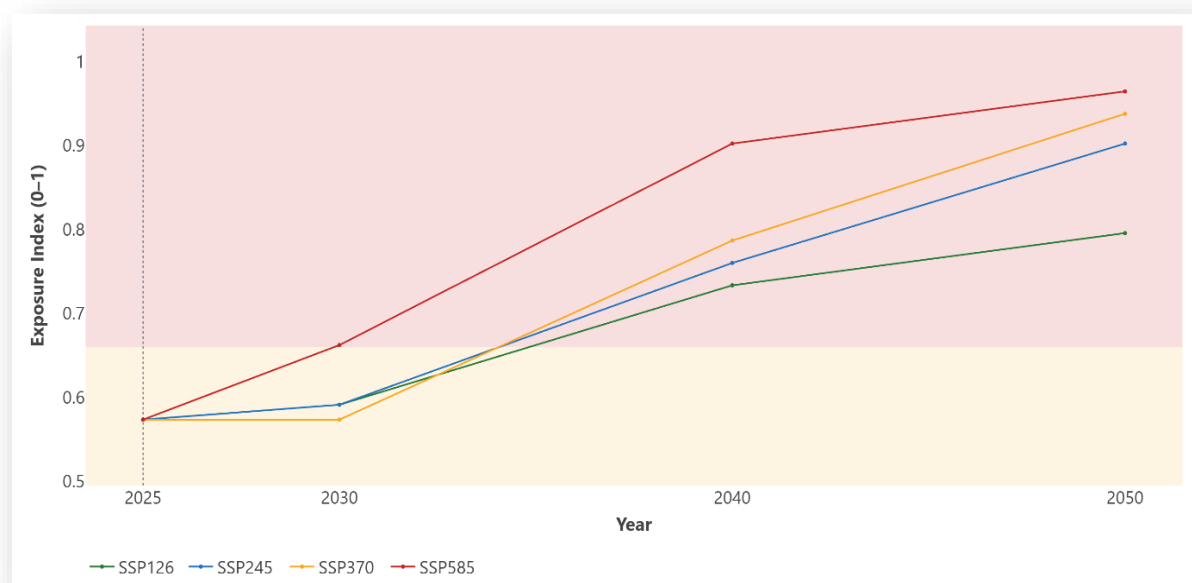
Physical Climate Risks

Extreme Heat

Extreme heat was identified as the most pervasive long-term physical climate risk across DFI's operating footprint, reflecting Malaysia's tropical climate and projected increases in temperatures, heat intensity and prolonged hot periods under higher warming scenarios.

Under baseline conditions, heat exposure remains predominantly concentrated within the medium exposure band, reflecting DFI's operating footprint across tropical environments. However, relative exposure is projected to increase progressively over time, particularly under higher-emissions pathways.

Extreme Heat Exposure Across DFI Assets



While the overall pattern remains manageable, prolonged heat may increase cooling requirements and alter operating conditions at selected locations.

Potential implications may include:

Area	Potential Implication
Facilities	Greater cooling and HVAC demand
Energy	Higher electricity consumption and cooling intensity
Workforce	Reduced thermal comfort during prolonged heat periods
Customer Experience	Greater importance of maintaining indoor comfort
Logistics & Distribution	Increased temperature sensitivity across logistics and storage
Operations	Increased maintenance requirements for cooling and refrigeration systems

DFI continues strengthening resilience through energy efficiency initiatives, cooling optimisation, refrigeration reliability and adaptive facility management practices.

Flooding (Integrated Flood Exposure)

Assessing flooding enables DFI to understand how changing rainfall patterns and flood dynamics may influence operational resilience over time. The assessment considered both pluvial flooding (surface water flooding from heavy rainfall) and river flooding, recognising that these hazards may interact in certain locations.

Flood-related exposure remains concentrated rather than systemic, with most operating locations remaining within low- to medium-exposure bands. However, selected sites demonstrate comparatively greater sensitivity due to local drainage characteristics, terrain conditions and projected changes in rainfall intensity.

Integrated Flood Exposure Across DFI Assets



Most locations demonstrate relatively stable exposure over time, though selected sites show increasing sensitivity under higher warming pathways. In particular, a Factory Land location in Pulau Pinang demonstrates a transition towards higher relative exposure over time, reflecting local terrain characteristics and projected rainfall conditions.

Sustainability REPORT (cont'd)

Potential implications may include temporary disruption from localised flooding, transport delays, increased drainage maintenance requirements and localised disruption to operations or storage.

Although DFI does not expect flood-related risks to materially affect its broader portfolio in the near term, the Group continues to strengthen resilience through operational continuity planning, drainage maintenance and site monitoring.

Other Climate Hazards

DFI also assessed coastal inundation, tropical cyclones, landslides and drought as part of its broader climate risk screening.

Current findings indicate that these hazards remain localised and generally limited across DFI's Malaysian operating footprint. While selected locations may demonstrate relative sensitivity depending on geography and site characteristics, these hazards should not represent material portfolio-wide risks in the short- to medium-term.

Malaysia is generally less exposed to severe tropical cyclone winds than neighbouring regions. However, DFI assessed broader cyclone-related sensitivity using historical storm-track proximity, wind-screening and coastal-sensitivity indicators to identify locations that may warrant continued monitoring over time.

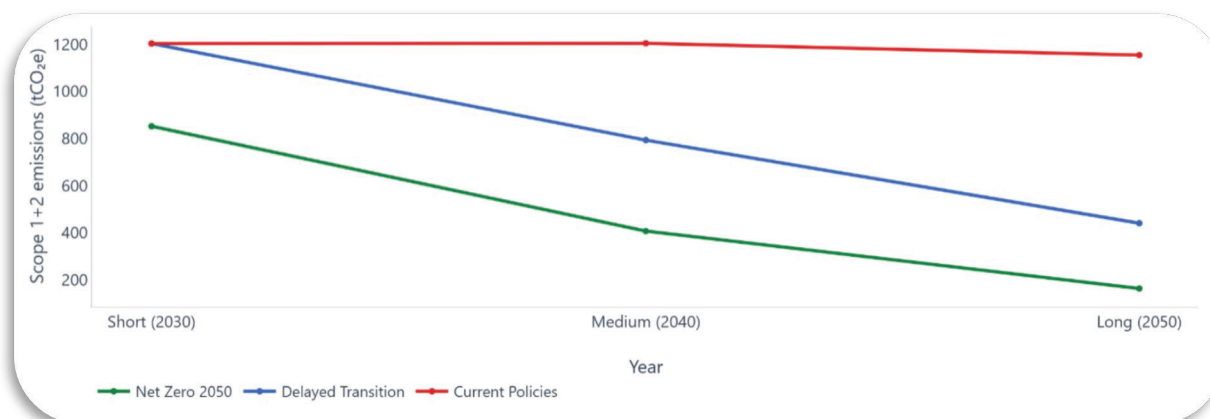
Transition Risk Scenario Analysis

In addition to physical climate risks, DFI assessed transition-related risks to better understand how evolving climate policies, carbon pricing mechanisms and decarbonisation trends may influence future operating costs and business resilience.

DFI assessed transition-related risks using NGFS Phase 5.1 climate transition scenarios that represent different levels of climate ambition and regulatory intervention.

Scenario	Description
Net Zero 2050	Rapid emissions reductions and stronger policy action
Delayed Transition	Slower near-term action followed by sharper transition measures later
Current Policies	Continuation of currently implemented climate policies

Illustrative Carbon Price Pathways Across Climate Scenarios



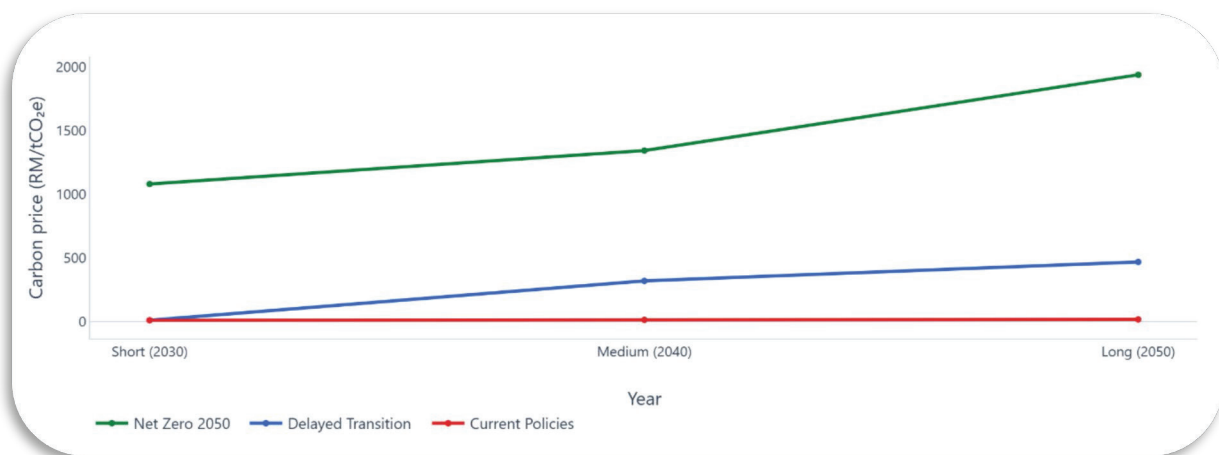
The Net Zero 2050 pathway reflects stronger carbon pricing signals over time, while Delayed Transition assumes slower near-term action followed by sharper policy tightening in later years. Consequently, near-term carbon prices under Delayed Transition may initially remain relatively similar to Current Policies before diverging more significantly over the medium to long term.

Projected Carbon Cost Exposure

DFI assessed projected transition-related carbon cost exposure using its baseline emissions profile and future emissions pathways.

The assessment primarily considered direct operational emissions (Scopes 1 and 2) while incorporating a 15% carbon price exposure assumption for selected Scope 3 emissions to reflect potential indirect supplier cost pass-through and broader value chain sensitivity. Scope 2 exposure was partially adjusted to reflect partial electricity price pass-through. This adjustment reflects the Group's expectation that future carbon-related costs may arise from both direct operational exposure and indirect value-chain impacts.

Projected Transition-Related Carbon Cost Exposure

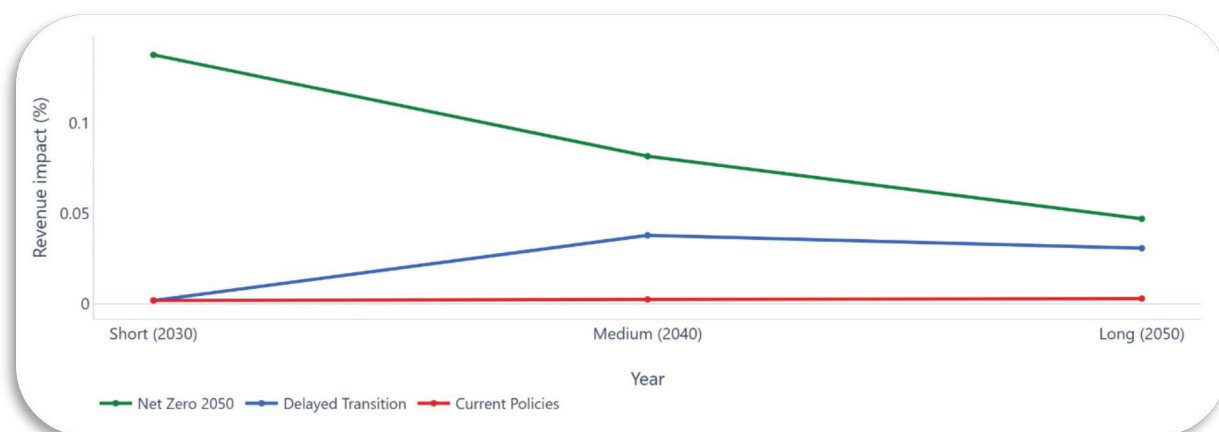


Projected transition-related costs remain comparatively manageable across the scenarios assessed. While stronger climate ambition may lead to higher carbon prices, projected impacts remain proportionate to DFI's broader operating profile.

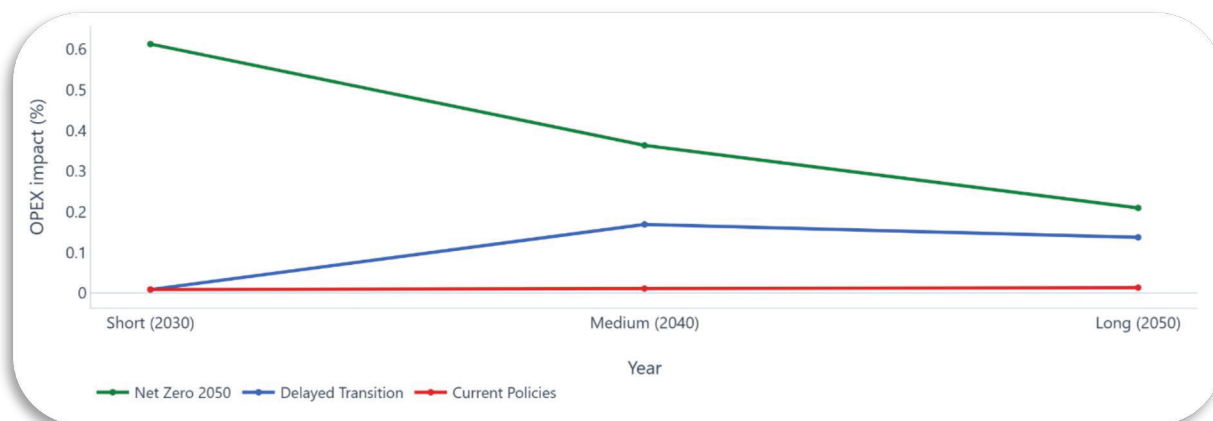
Potential Financial Implications

To assess relative financial materiality, DFI evaluated projected carbon-related costs relative to revenue and operating expenditure ("OPEX").

Projected Net Carbon Cost as a Share of Revenue



Projected Net Carbon Cost as a Share of Operating Expenditure



When assessed relative to revenue and operating expenditure, projected transition-related costs remain comparatively manageable and are not expected to result in material near- to medium-term financial disruption under the scenarios assessed.

Internal Carbon Price

DFI assessed an indicative internal shadow carbon price of RM60/tCO₂e to support climate-related planning and investment considerations. For scenario analysis, DFI applied NGFS carbon price trajectories rather than a fixed internal carbon price, as these provide differentiated forward-looking pathways across varying levels of climate ambition and policy intervention.

Climate Resilience and Outlook

Current findings indicate that DFI's business model remains resilient under the climate scenarios assessed, supported by diversified operations, adaptive management practices and continued enhancement of climate-related risk management capabilities.

To strengthen resilience against extreme heat, DFI continues prioritising cooling reliability, refrigeration performance and energy optimisation. To address flood-related risks, the Group maintains a location-specific approach focused on drainage maintenance, operational continuity planning and site monitoring where relevant.

From a transition risk perspective, DFI continues strengthening preparedness through energy efficiency initiatives, operational optimisation and ongoing monitoring of evolving regulatory developments and market expectations.

Climate scenario analysis inherently involves uncertainty due to the long-term nature of climate projections, evolving policies and changing business conditions. Accordingly, DFI's assessment is a screening-level relative exposure analysis rather than a prediction of future outcomes. The Group will continue refining its climate-related methodologies and datasets over time to strengthen resilience planning and decision-making.

STRATEGIC RESPONSE AND TRADE-OFFS

DFI's climate strategy prioritises operational efficiency, supplier engagement and regulatory alignment. Key response measures include:

- Improving energy efficiency across retail outlets and manufacturing processes
- Strengthening supplier performance monitoring and compliance oversight
- Enhancing procurement resilience and logistics planning
- Incorporating climate considerations into capital investment evaluation

Management recognises that certain resilience and efficiency initiatives require near-term investment. These trade-offs are evaluated against long-term operational stability, cost predictability and strategic positioning, balancing short-term financial discipline with reduced exposure to regulatory, operational and market risks.

USE OF REASONABLE INFORMATION AND MEASUREMENT UNCERTAINTY

The Group bases its climate-related assessments on reasonable and supportable information available at the reporting date, including regulatory developments, operational data and relevant scenario analysis. Given inherent uncertainty in long-term climate projections, policy developments and market responses, certain anticipated financial effects cannot be reliably quantified at this stage. Where quantitative information is not practicable, the Group provides qualitative disclosures to support transparency and informed decision-making.

The Group will continue enhancing its data capabilities and analytical approaches as methodologies evolve and regulatory expectations develop.

CLIMATE RISK

DFI Group recognises that effective management of climate-related risks is essential to maintaining business continuity, operational stability and long-term resilience. As climate-related impacts intensify, the Group integrates climate considerations into its Enterprise Risk Management framework to identify, assess and mitigate both physical and transition risks.

By embedding climate risks within its broader risk management processes, the Group strengthens operational preparedness and enhances its ability to respond to evolving environmental, regulatory and market developments. This structured approach supports informed decision-making, timely mitigation actions and strategic alignment across the organisation.

Through proactive risk identification and continuous monitoring, the Group reinforces sustainability as a core component of its governance and resilience strategy.

RISK IDENTIFICATION AND MONITORING PROCESSES

The Group maintains a structured climate risk identification process that includes continuous monitoring of regulatory developments, physical climate impacts and market changes. It applies scenario analysis to assess how varying climate pathways, including resource constraints and policy shifts, could affect business operations across global supply chains and retail outlets.

Through regular risk assessments and structured scenario reviews, the Group identifies and prioritises emerging climate-related exposures. This forward-looking approach enables timely mitigation planning and supports adaptive decision-making before potential impacts materialise.

Embedding scenario analysis within the broader risk management framework strengthens the Group's preparedness for both current and future climate-related challenges.

OVERALL RISK PROFILE

The Group regularly reviews its risk profile and recognises that climate-related risks can create significant financial and operational implications. These risks include supply chain disruptions, shifts in consumer demand and evolving regulatory requirements.

For example, changing weather patterns may alter travel flows or affect the availability of key products, while developments in environmental regulation may influence sourcing strategies, packaging requirements or operational practices.

The Group assesses these factors through structured processes, including annual risk assessments that identify, evaluate and document climate-related exposures. This disciplined approach enables management to understand potential impacts across current and future operations.

Maintaining continuous oversight and systematic evaluation strengthens the Group's agility in responding to climate-related developments and reinforces resilience across its business activities.

Sustainability REPORT (cont'd)

Risk	Risk Description	Sustainability Impact	Financial Impact	Operational Impact	Time Horizon	Opportunities	Planning/ Mitigation/ Response
Disruption to operations and logistics due to extreme weather	Adverse weather conditions, such as extreme heat and flooding, may disrupt transportation routes, airport operations and manufacturing activities, resulting in delays to stock replenishment, distribution and production schedules.	Reduced operational resilience and increased reliance on buffer inventory and alternative logistics arrangements.	Lost sales, higher logistics and freight costs and potential production downtime	Delays in product availability, temporary outlet disruption and interruptions to manufacturing and delivery schedules.	Medium to long term	Strengthening logistics planning, diversifying transport routes and improving business continuity preparedness.	Monitoring logistics conditions, maintaining buffer inventory and coordinating closely with logistics partners and suppliers.
Utility supply disruptions affecting business continuity	Disruptions to electricity or water supply may affect retail operations, warehousing activities and manufacturing processes, resulting in temporary stoppages or reduced operating capacity.	Inefficient resource use and increased reliance on backup systems and contingency measures	Production losses, recovery costs and potential revenue impact during outage periods	Suspension of retail or manufacturing activities and delayed recovery of normal operations.	Medium term	Improved contingency planning and increased operational resilience.	Business continuity planning, backup power arrangements and operational monitoring.
Disruption to Production and Logistics Due to Extreme Weather Events	Increased frequency and intensity of extreme weather events (such as heavy rainfall, flooding and heatwaves) could disrupt transportation routes, production facilities and supply chains, leading to delays in material supply, production halts and distribution delays.	Reduced operational resilience, higher resource consumption from inefficient processes and increased waste due to production delays.	Increased costs from delayed shipments, emergency procurement, repair costs for damaged goods and potential penalties from missed delivery deadlines.	Temporary shutdowns of production lines, supply chain disruptions and difficulties in meeting customer orders on time.	Medium to long term	Improved contingency planning, better supply chain management and enhanced infrastructure resilience.	Establish contingency measures for supply chain interruptions, invest in resilient infrastructure and maintain strong relationships with logistics partners to adapt to climate impacts.

Risk	Risk Description	Sustainability Impact	Financial Impact	Operational Impact	Time Horizon	Opportunities	Planning/ Mitigation/ Response
Risk from Physical Damage to Facilities Due to Extreme Weather Events	Extreme weather events, such as heatwaves or flooding, may cause physical damage to manufacturing facilities, equipment and infrastructure. Heatwaves may cause equipment to overheat. Flooding could damage buildings, machinery and materials, resulting in significant production delays and increased repair costs.	Increased resource consumption due to repairs, higher energy use for temporary equipment or cooling systems and potential environmental impact from water run-off.	Repair costs, lost revenue from production downtime, potential insurance claims and penalties for missed delivery deadlines.	Disruption to production lines, damage to machinery and delays in fulfilling customer orders due to facility damage.	Medium Term	Strengthened facility infrastructure, more resilient building designs and the implementation of preventive maintenance programmes.	Implement disaster recovery and business continuity plans, conduct regular equipment maintenance, improve flood protection measures and install energy-efficient cooling systems to manage heat stress.
Risk from Resource Scarcity Due to Climate Change Impacts on Raw Materials Supply	Climate change may disrupt the availability of critical raw materials, including metals and plastics used in automotive component parts manufacturing. Climate-induced resource constraints, shifts in extraction activity, regulatory changes or disruptions to mining operations may delay procurement and increase material costs.	Increased resource consumption from sourcing alternative materials, potentially increasing the carbon footprint associated with raw material procurement.	Higher procurement costs due to supply shortages, potential delays in production and increased logistics costs for sourcing materials from distant suppliers	Delays in production due to material shortages, increased dependency on alternative or secondary material suppliers and possible changes in product design to accommodate available resources.	Medium to long term	Strengthening relationships with diverse suppliers, developing alternative sourcing strategies and investing in material efficiency and recycling.	Engage in proactive material sourcing, monitor global supply chain trends and invest in long-term contracts with diverse suppliers to mitigate the risk of shortages.

Sustainability REPORT (cont'd)

Risk	Risk Description	Sustainability Impact	Financial Impact	Operational Impact	Time Horizon	Opportunities	Planning/ Mitigation/ Response
Increased compliance and cost pressure from environmental requirements	Evolving environmental regulations and standards may increase compliance obligations, reporting requirements and operating costs across retail and manufacturing activities.	Increased focus on environmental management and process improvements.	Higher compliance, reporting and process upgrade costs	Additional administrative requirements and adjustments to operational practices.	Medium term	Additional administrative requirements and adjustments to operational practices.	Monitoring regulatory developments, phased implementation of compliance measures and integration into existing management systems.
Changing customer and business partner expectations	Shifts in customer, brand principal and original equipment manufacturer expectations towards more environmentally responsible operations may influence purchasing decisions and supplier selections.	Pressure to improve environmental performance across retail and manufacturing operations.	Failure to meet stakeholder expectations may result in reduced sales, contract losses and weakened market competitiveness.	Need to adapt sourcing practices, processes and reporting approaches.	Medium to long term	Strengthening relationships with customers and original equipment manufacturers through improved practices and transparency.	Engagement with customers and business partners, gradual improvement of practices and alignment with market expectations.
Regulatory Pressure on Environmental Standards and Compliance	Increasing regulatory pressure to meet environmental standards (such as carbon emissions limits, energy use and waste management) could require significant changes to manufacturing processes or the implementation of costly new technologies.	Increased focus on environmental management, potentially leading to more efficient processes, but requiring upfront investment.	Additional costs to implement environmental measures, potential fines for non-compliance and investment in new technologies to meet regulations	Need to update processes and training to ensure compliance with new regulations and standards.	Medium to long term	Transition to more energy-efficient technologies, reduced waste and emissions and improvement in company reputation due to sustainability leadership.	Monitor regulatory changes, invest in cleaner technologies and enhance internal processes to ensure timely compliance.

Risk	Risk Description	Sustainability Impact	Financial Impact	Operational Impact	Time Horizon	Opportunities	Planning/ Mitigation/ Response
Shifts in Customer Expectations on Sustainability	Customers, particularly original equipment manufacturers ("OEMs"), may increasingly demand sustainable and environmentally friendly components, requiring UIG to modify its product designs or production methods to meet these expectations.	Greater resource efficiency and reduced environmental footprint if sustainable practices are adopted.	Increased costs from redesigning products, sourcing sustainable materials and altering production methods.	Continuous innovation in production practices and product designs to meet customer demands for more sustainable products.	Medium to long term	Innovation in sustainable product lines, access to new markets and stronger customer loyalty due to environmentally conscious product offerings.	Focus on eco-friendly material sourcing, enhance sustainability in product development and collaborate with customers to understand and meet their sustainability goals.
Market Volatility from Transition to a Low-Carbon Economy	The transition to a low-carbon economy may lead to market volatility, affecting the cost of raw materials, production methods and the demand for certain products, especially those with higher carbon footprints.	Pressure to adapt production methods and materials to meet low-carbon standards.	Increased costs due to changes in raw material prices, carbon taxes or market shifts towards low-emission products.	Potential adjustments in production methods and changes in sourcing strategies to reduce carbon impact.	Medium to long term	Gaining a competitive edge through early adoption of low-carbon technologies, leading to market differentiation.	Monitor market trends, invest in carbon-reduction strategies and adapt product offerings to meet emerging low-carbon demands.

Sustainability REPORT (cont'd)

OPPORTUNITY MANAGEMENT

In addition to managing climate-related risks, the Group actively identifies and pursues opportunities arising from climate action. This forward-looking approach includes initiatives focused on energy efficiency, sustainable sourcing and packaging innovation.

By recognising the long-term value of sustainability, the Group seeks to generate both environmental and financial benefits while aligning its strategy with evolving consumer preferences and regulatory developments.

The Group evaluates opportunities based on their ability to:

- Deliver cost efficiencies
- Enhance product offerings
- Strengthen market positioning, particularly within the duty-free retail sector
- Support long-term resilience and competitiveness

Through disciplined evaluation and strategic integration, the Group positions sustainability as a driver of innovation and value creation.

INTEGRATION WITH ERM

The Group fully integrates climate-related risks and opportunities into its Enterprise Risk Management framework. It incorporates sustainability considerations into risk identification, assessment and mitigation processes across all levels of the organisation.

This integration aligns strategic objectives with sustainability priorities and reinforces the Group's commitment to long-term growth and resilience. By embedding climate-related considerations within its core governance and risk processes, the Group strengthens decision-making and manages climate risks and opportunities in line with broader business objectives.

Through this structured approach, the Group promotes proactive oversight while maintaining consistency between sustainability commitments and operational execution.

MEASURING CLIMATE PERFORMANCE

DFI Group monitors climate-related performance using a defined set of metrics that track emissions exposure, energy performance and operational efficiency across its retail and manufacturing operations. These metrics support oversight of transition and physical climate risks and enable management to assess progress against climate-related objectives.

The Group uses both cross-industry and operational indicators to evaluate performance, inform capital allocation and guide continuous improvement initiatives.

GREENHOUSE GAS EMISSIONS AND RELATED METRICS

Greenhouse gas emissions represent the Group's primary cross-industry climate metric and provide a baseline for tracking transition exposure over time. DFI discloses absolute greenhouse gas emissions for:

- Scope 1 – Direct emissions from fuel combustion and controlled operations
- Scope 2 – Indirect emissions from purchased electricity
- Scope 3 – Material value chain emissions categories

Climate-related metrics are prepared using organisational boundaries aligned with financial reporting. Emissions are calculated using activity data and recognised emission factors applied consistently. Data sources include utility records, fuel purchases, production data and supplier information. Methodological changes, where applicable, are disclosed. Emissions are reported in tonnes of carbon dioxide equivalent (tCO₂e), with Scope 3 coverage, assumptions and limitations disclosed.

In addition, DFI Group monitors operational indicators aligned to its business activities. In duty-free retail, these include electricity consumption, waste and packaging performance and supplier environmental compliance. In automotive component parts manufacturing, the Group tracks energy intensity, process efficiency and supplier environmental performance. These metrics reflect areas of operational control and material climate exposure.

CLIMATE TARGETS, COVERAGE AND PROGRESS

The Group sets climate-related targets aligned with operational efficiency and resilience. For each target, the baseline, scope, time horizon and current performance are disclosed, together with progress status.

This approach ensures stakeholders can assess the credibility, transparency and integrity of the Group's climate commitments.

INTERNAL CARBON PRICING

DFI Group has established an internal carbon price of RM60/tCO₂e to strengthen climate-related awareness and support resilience planning. While the Group does not currently apply the internal carbon price directly to capital investment or operational decision-making, DFI uses it as a reference point to better understand potential transition-related cost exposures and inform future climate-related planning.

METHODOLOGY AND MEASUREMENT BASIS

Climate-related metrics are prepared using defined organisational boundaries aligned with financial reporting structures.

Greenhouse gas emissions are calculated by multiplying activity data by recognised emission factors, applied consistently year to year. Emission factor sources and key assumptions are disclosed.

Primary data sources include utility invoices, fuel purchase records, production data and supplier information. Internal review procedures, reconciliations and documented estimation methodologies support data reliability.

Where changes in methodology occur, the Group explains the rationale and impact on comparability.

RESPONSIBLE WASTE MANAGEMENT

DFI Group strengthens waste management practices across its retail and manufacturing operations, focusing on waste reduction, recycling and regulatory compliance. The Group adopts a structured approach that prioritises prevention, segregation, responsible disposal and circular resource use.

WASTE REDUCTION AND RECYCLING IN RETAIL OPERATIONS

DFI implements practical initiatives to reduce waste generation across its duty-free retail outlets, including:

- Reducing paper printing and digitising processes
- Reusing pallets and cartons
- Introducing clearly labelled bins for recyclable, non-recyclable and organic waste
- Encouraging employees to use personal mealware to minimise disposable items

DFI also manages electronic waste responsibly. Outdated devices, including POS systems, computers and display units, are disposed of through certified e-waste recyclers. Where appropriate, equipment from closed outlets is redistributed to employees for reuse, extending asset life and reducing new procurement.

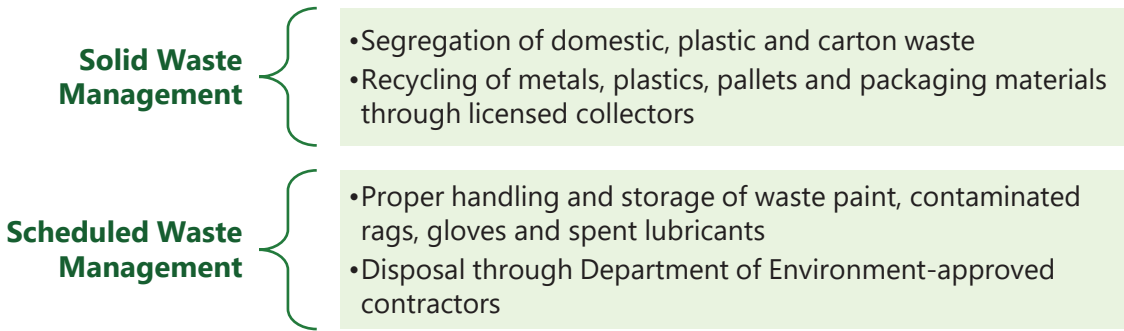
To reduce packaging waste, DFI has:

- Introduced biodegradable or recyclable shopping bags
- Worked with suppliers to eliminate unnecessary gift boxes
- Reduced packaging volume to lower transport emissions and material use

While most retail outlets operate within leased, space-constrained premises that limit access to centralised recycling infrastructure, the Group continues to monitor opportunities for improvement as operations evolve.

WASTE MANAGEMENT IN MANUFACTURING OPERATIONS

At UIG's manufacturing plants, the Group applies structured waste handling procedures to ensure regulatory compliance and operational safety.



UIG also enhances circularity through operational improvements. The Ceedee filtering machine reduces hydraulic oil waste by filtering and reusing oil, lowering disposal volumes and improving resource efficiency.

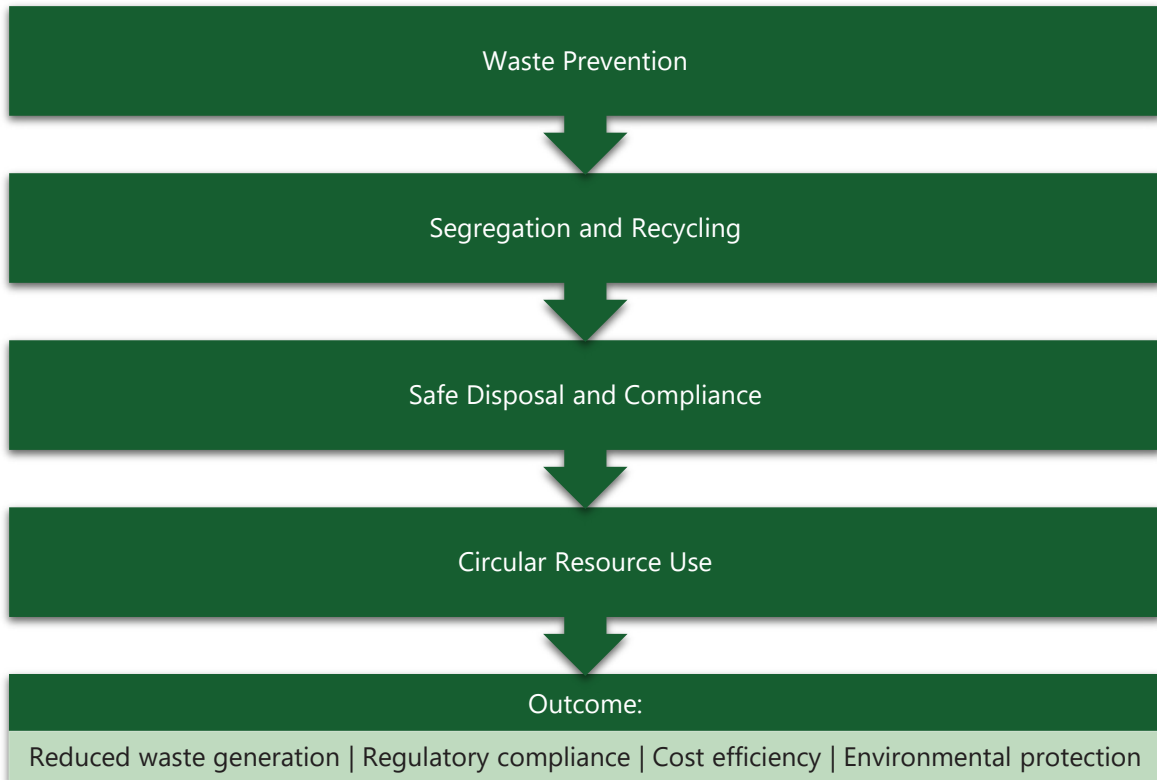
CHEMICAL AND HAZARDOUS MATERIAL MANAGEMENT

UIG applies a formal chemical management procedure to identify and control hazardous substances. Through its Green Procurement and Suppliers Development Procedure, the Group ensures compliance with applicable OSH Regulations 2000 and 2013.

The framework includes:

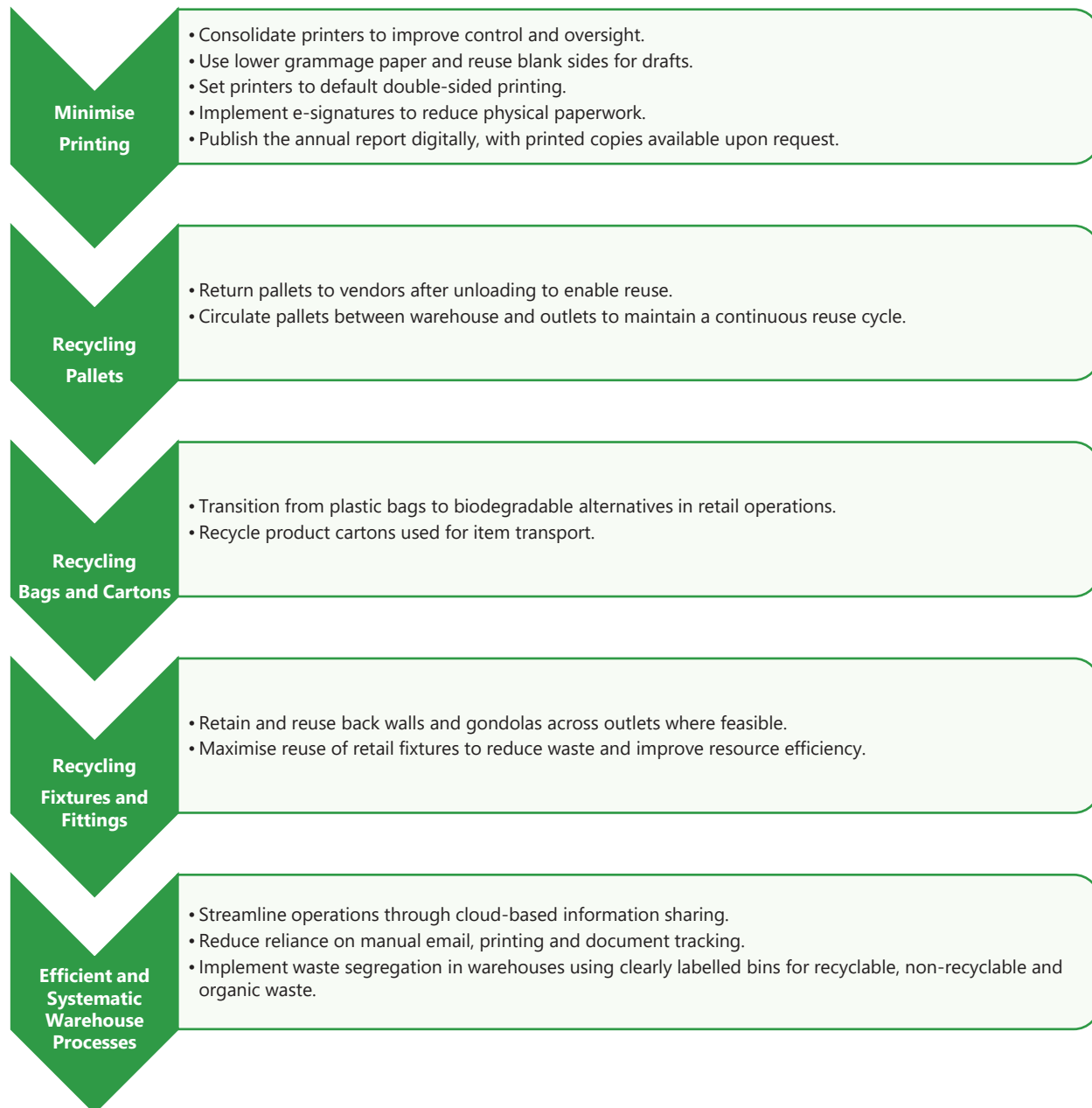
- Supplier audits on chemical safety standards
- Supply chain chemical risk assessments
- Employee training on safe handling and spill response

Waste Management Framework



Through structured waste reduction, recycling and compliance controls, DFI Group strengthens environmental stewardship while supporting operational efficiency across its value chain.

Green Initiatives



POLLUTION MANAGEMENT

DFI Group implements structured pollution control measures across its operations, with a strong focus on its automotive component parts manufacturing segment, where emissions management is critical. The Group's manufacturing division conducts annual isokinetic stack and air emission monitoring in accordance with the Malaysian Environmental Quality (Clean Air) Regulations 2014 to ensure full regulatory compliance. The latest monitoring results confirmed that dust concentration levels across all six factory stacks remained well within permitted limits.

These monitoring programmes enable early detection and control of emissions, preventing the release of hazardous substances during production processes such as spraying. Through systematic monitoring, regulatory compliance and preventive controls, DFI Group minimises environmental impact and safeguards the health and well-being of surrounding communities.

EMPOWERING PEOPLE, ENRICHING SOCIETY TOGETHER

DFI Group seeks to create a positive impact for its employees and the communities it serves. The Group aligns its social responsibility initiatives with its broader business objectives, focusing on empowerment, social development and meaningful community engagement.

The Group encourages employee participation in community initiatives by granting unrecorded leave for approved volunteering activities during working hours. This approach enables employees to contribute to causes that matter to them while strengthening their connection to the communities in which they operate. Volunteer contributions are recognised through internal communications and social media, celebrating their positive impact and encouraging wider participation.

DFI supports disadvantaged communities through targeted charitable initiatives, including:

- The *Sumbangan Bantuan Sekolah* programme, which provides school supplies to underprivileged children
- Financial assistance for flood victims

During the year, the Group allocated RM13,050 through Yayasan Harmoni, its charity fund, to support the education of employees' children, benefiting 88 of them.

At its automotive component parts manufacturing segment, UIG, community engagement forms part of day-to-day operations. Employees participate in road safety initiatives, community forums and joint programmes with supply chain stakeholders such as Honda Malaysia and Perodua. UIG team members also took part in the *Program Serahan Kasih Semarak Merdeka* drive-thru event alongside internship students, further strengthening community ties.

Feedback from these initiatives has been positive, particularly for the road safety programmes, which featured practical demonstrations, interactive activities and clear explanations. Beyond providing support, these initiatives connect donors and beneficiaries, raise awareness of social issues and foster a shared sense of purpose within the community.

Our Management Approach

DFI Group fosters a culture of inclusivity, empowerment and continuous development, equipping employees to thrive in working environments. Prioritising open communication, collaboration and a supportive work environment helps its people reach their full potential. This approach not only drives business success but also strengthens employee engagement and satisfaction, enabling the Group to adapt to industry challenges and foster long-term sustainability.

Policies, Principles and Commitments

- Code of Conduct
- Employee Handbook
- Sponsorship Guidelines
- Training policy
- Employment Act and other labour laws
- Quality procedures and certifications
- Standard Operating Procedure ("SOPs")

Monitoring and Control Systems

- Employee performance evaluation
- Grievance mechanism
- Employees satisfaction study
- Customer satisfaction survey

NURTURING EMPLOYEES' GROWTH AND SUCCESS

DFI Group prioritises the continuous development of its employees by delivering structured training programmes that support both professional capability and personal growth. The Group assesses training needs through multiple channels, including performance evaluations, customer feedback, post-incident reviews and mandatory regulatory requirements.

This structured approach ensures that learning initiatives respond directly to operational priorities and compliance obligations. Training covers a broad spectrum of competencies, ranging from role-specific technical skills to leadership and personal development, equipping employees to meet evolving business demands.

PROFESSIONAL DEVELOPMENT

DFI Group strengthens professional capability through a range of specialised training programmes designed to enhance customer engagement, workplace effectiveness and regulatory compliance.

Internal development initiatives include:

- Advanced Strategic Selling and Customer Service Excellence Programme
- Effective Interpersonal and Communication Skills for Workplace Success

These programmes strengthen service standards, improve collaboration and reinforce operational performance across retail operations.

The Group also supports external upskilling opportunities to deepen regulatory and technical expertise, including:

- Sarawak Labour Ordinance and Sabah Labour Ordinance training for HR practitioners
- Occupational Safety and Health Coordinator ("OSH-C") Competency Programme
- Seminars on Employment Law and Industrial Relations
- Malaysian Customs Import-Export Document System ("MyCIEDS") training
- Product knowledge training in the liquor category

These initiatives enhance regulatory compliance, strengthen workplace safety and ensure employees remain well-informed on operational and industry developments.

At its automotive component parts manufacturing segment, UIG, the Group delivers specialised technical training aligned with automotive industry standards, including:

- ISO 45001:2018
- ISO 14001:2015
- ISO 9001
- IATF 16949

These programmes reinforce quality management, environmental stewardship and occupational health and safety standards within manufacturing operations.

During the year, UIG employees also participated in Artificial Intelligence training and attended external technical visits, including sessions focused on the tubing production process. These hands-on learning opportunities support innovation, technical alignment and continuous improvement within the manufacturing environment.



SAFETY AND COMPLIANCE TRAINING

DFI Group prioritises workplace safety and regulatory compliance across both its duty-free retail and manufacturing operations. Employees participate in structured training programmes designed to strengthen safe work practices and reinforce legal obligations.

Key Training Initiatives

Fire Risk Prevention Sessions

- Strengthen emergency preparedness
- Reduce fire-related operational risk
- Enhance workplace safety awareness

Behaviour-Based Forklift Safety Operations Training

- Reduce workplace accidents and injury risk
- Improve safe equipment handling practices
- Strengthen operational discipline in warehousing

Managing and Safely Terminating Employees with Medical Conditions

- Ensure legal and procedural compliance
- Protect employee welfare and dignity
- Reduce employment-related risk exposure

These programmes enhance risk awareness, promote responsible workplace conduct and ensure adherence to applicable safety and employment regulations. Through continuous safety education and compliance training, the Group fosters a secure, disciplined and legally compliant working environment across all operations.

PERSONAL DEVELOPMENT TRAINING

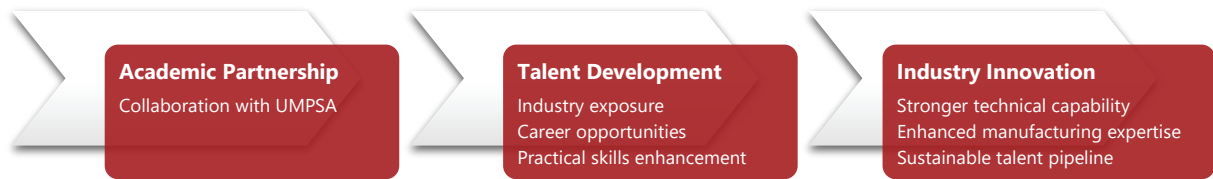
DFI Group promotes personal development alongside professional capability, recognising that employee well-being underpins sustainable performance. The Group delivers programmes such as Mental Health Awareness to strengthen understanding of mental well-being and equip employees with practical tools to manage stress and maintain a healthy work-life balance.

By investing in personal development, the Group fosters a supportive workplace culture where employees feel valued beyond their technical roles. This approach strengthens engagement, enhances job satisfaction and contributes to overall workforce resilience.

PARTNERSHIPS AND EDUCATIONAL COLLABORATIONS

Beyond internal training, DFI Group strengthens workforce development through strategic external partnerships. At its automotive component parts manufacturing segment, UIG signed a collaboration agreement with University Malaysia Pahang Al-Sultan Abdullah ("UMPASA"), a leading technical university in Malaysia.

This collaboration expands career pathways for students by providing access to employment opportunities and structured industry exposure. It also reinforces academic-industry linkages and supports long-term talent development within the manufacturing sector.



Through structured partnerships, the Group strengthens its future workforce, contributes to national skills development and supports innovation within the manufacturing ecosystem.

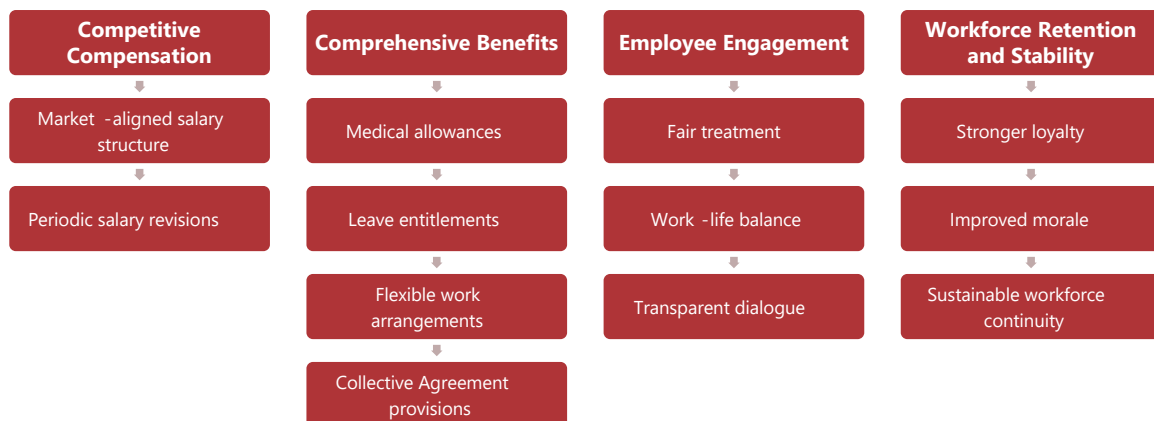
REWARDING EXCELLENCE

DFI Group provides competitive compensation packages aligned with industry benchmarks and reflective of employee capability and experience. In addition to financial remuneration, the Group offers a comprehensive benefits programme that includes medical allowances, annual leave and special leave for significant life events. Flexible working arrangements further support employees in balancing professional and personal responsibilities.

The Group reviews compensation and benefits regularly to ensure continued alignment with workforce expectations and regulatory requirements. In May 2025, DFI implemented a salary revision to enhance remuneration, reinforcing its commitment to fair pay and exceeding the requirements of the Minimum Wage Order 2025, which came into effect in August 2025.

At its automotive component parts manufacturing segment, UIG maintains structured and transparent engagement on employee benefits and workplace safety. A Collective Agreement (“CA”), covering the period from 1 March 2020 to 28 February 2023 and remaining in effect until superseded, formalises employee benefit provisions and reinforces workplace safety standards across operations.

Reward and Retention Flow



Through this structured approach, the Group links fair remuneration and employee welfare directly to engagement, retention and long-term organisational stability.

Sustainability REPORT (cont'd)

ENGAGEMENT THROUGH CONNECTION

DFI Group fosters unity and appreciation through employee engagement initiatives held throughout the year. The Group celebrates major festive occasions, including Hari Raya, Chinese New Year and Deepavali, creating opportunities for employees to connect and participate in shared cultural celebrations.

The Group also recognises employee commitment through structured appreciation initiatives, including:

- Rewards for Zero MC to acknowledge exceptional attendance
- Ad-hoc appreciation events, such as food basket distributions
- Monthly birthday celebrations and high-tea gatherings

These initiatives strengthen team cohesion, reinforce a sense of belonging and contribute to a positive workplace culture.

Beyond celebratory events, the Group actively monitors employee satisfaction through structured feedback mechanisms. At its automotive component parts manufacturing segment, UIG, the Human Resources department conducts an annual Employee Survey to evaluate job performance, work environment and employee welfare. The survey also measures employee contributions towards company achievements and targets.

Employee satisfaction has remained consistently strong over the past three years, with scores of:

- 76% in 2023
- 79% in 2024
- 76% in 2025

Through continuous engagement, recognition and structured feedback, the Group reinforces a supportive and inclusive work environment while proactively monitoring morale and potential attrition risks.



DIVERSITY AND INCLUSIVITY

DFI Group champions diversity, equality and local employment as part of its commitment to community development and economic participation. The Group implements an inclusive recruitment process that values diverse backgrounds, skills and perspectives while maintaining a predominantly local workforce.

More than 99% of outlet employees are nearby residents, strengthening community ties and enhancing cultural understanding in customer interactions. Where specialised expertise is required, the Group supplements local capability with global talent, including the recruitment of an expatriate within the ICT function to support technical requirements. This balanced approach ensures both local engagement and operational capability.

DFI applies a merit-based recruitment framework that promotes transparency and fairness at every stage. Diversity remains a strategic enabler, particularly within a multinational and multicultural retail environment where employees engage daily with customers, suppliers and colleagues from varied nationalities.

The Group fosters an inclusive corporate culture that embraces diversity across:

- Gender
- Age
- Race
- Culture and creed

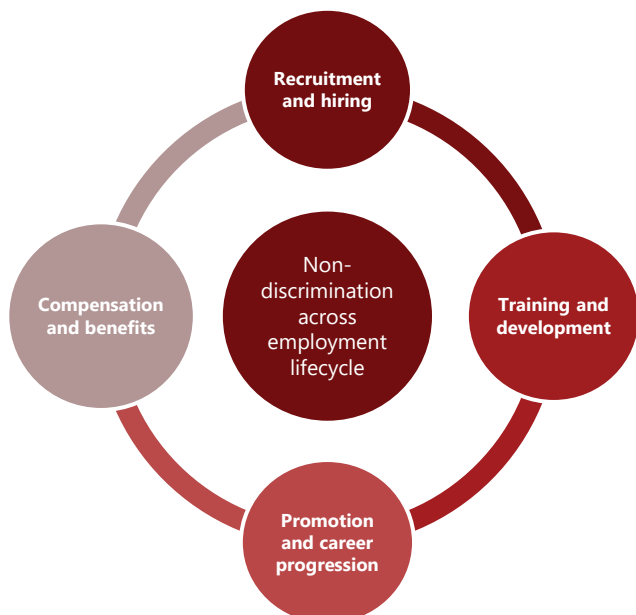
While certain operational roles involve physically demanding tasks, which tend to attract more male employees, the Group actively promotes gender balance by recruiting women into suitable roles and ensuring equal opportunities across functions. The Group maintains a 1:1 remuneration ratio for men and women.

The Group's commitment to non-discrimination extends across the entire employment lifecycle.

The Employee Handbook and Code of Conduct reinforce a zero-tolerance policy towards discrimination and harassment, establishing clear standards and enforcement mechanisms to address misconduct.



Group discussion

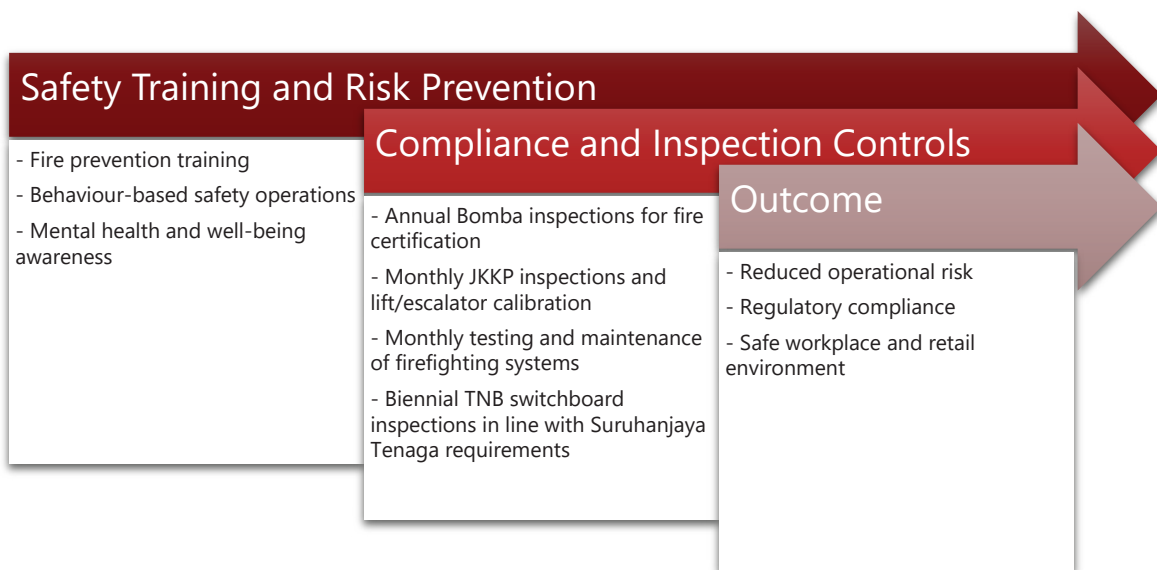


PRIORITISING WORKPLACE HEALTH AND SAFETY

DFI Group implements structured safety measures and delivers continuous training to minimise workplace risks and uphold industry best practices. The Group's safety management system centres on proactive hazard identification, systematic risk assessment and ongoing safety improvement initiatives.

Although manufacturing operations present higher inherent safety risks than duty-free retail activities, the Group recognises that safety considerations apply across all business areas. It remains committed to providing a safe working environment for employees and a secure shopping environment for customers.

Operational Safety Framework



At its automotive component parts manufacturing segment, UIG operates a formal Occupational Health and Safety ('OHS') framework to strengthen safety governance and drive continuous improvement. The Safety and Health Committee convened eight times during the year and comprises five employer representatives and eight employee representatives, ensuring balanced participation in safety oversight.



During the year, UIG employees participated in specialised safety training programmes, including:

- Basic Occupational First Aid
- Flood Mitigation Response
- Evacuation drills and firefighting training
- Awareness training on ISO 14001:2015 and ISO 45001:2018



Through structured governance, regular inspections and continuous safety education, the Group reinforces a culture of accountability and risk prevention across its operations.

The Group's automotive component parts manufacturing segment, UIG, has been certified with ISO 45001 – Occupational Safety and Health Management System certification since 2017.

Sustainability REPORT (cont'd)

Safety Risk Assessments

In FY2026, several safety risk assessments were conducted across various areas, focusing on identifying potential hazards and ensuring the safety of our workforce:

Risk Assessment	Scope and Coverage	Finding
Chemical Hazardous Risk Assessment	Assessed 95 chemicals in UIG, with exposure monitoring required for new areas such as the Sub Assy, Welding Line, Robot Line, Engineering and Maintenance	The Chemical Hazardous Risk Assessment identified opportunities to strengthen protective measures for workers handling hazardous substances across manufacturing operations. Key recommendations included replacing cotton gloves with nitrile gloves for hazardous chemical handling, upgrading respiratory protection to R95/N95 masks, including carbon filters for tasks involving organic vapours and enhancing controls in higher-risk areas such as painting, welding, CNC, brazing and maintenance activities. Chemical Exposure Monitoring was also recommended for painting and welding fumes to further safeguard worker health and safety.
Initial Ergonomic Risk Assessment	Identified work areas related to ergonomic hazards. Ergonomic assessments evaluated risk exposure from long-duration and repetitive work activities.	The Initial Ergonomic Risk Assessment identified work areas exposed to ergonomic hazards requiring further evaluation through Advanced Ergonomic Risk Assessments to confirm long-duration and repetitive work exposure risks. Key findings highlighted repetitive motion as the primary risk factor across assessed work areas, alongside static or sustained postures and awkward body positions in selected operational and office functions. Planned improvements include ergonomic awareness training, workplace stretching programmes, team lifting practices for heavy loads and ergonomic workstation enhancements to promote safer body postures.
Noise Risk Assessment	Comprehensive noise risk assessments were conducted across three facilities in late 2025 to identify workplace noise hazards and ensure compliance with the Occupational Safety and Health (Noise Exposure) Regulations 2019.	The noise risk assessments identified elevated noise exposure in selected operational areas, with exposure above the legal daily limit recorded for CNC Cutting, Nylon Assembly and eight employee groups in manufacturing operations, particularly in rework and welding areas. Major noise sources included metal cutting, compressed air discharge, grinding, welding, hammering and stamping activities. Planned mitigation measures include annual audiometric testing, hearing conservation training, equipment improvements such as silencers and rubber mallets, regular machine maintenance, work rotation and process separation to reduce prolonged exposure to high-noise environments.

In addition, UIG conducted regular safety inspections across its plants to reinforce adherence to established safety protocols. These inspections strengthen operational oversight and support continuous compliance with internal standards.

For external verification, an ISO 45001:2018 surveillance audit took place from 17 March 2025 to 19 March 2025. The audit confirmed that the Group's safety management system remains aligned with international standards and continues to support ongoing improvement in occupational health and safety practices.

VISITOR AND CONTRACTOR SAFETY

DFI Group extends its safety standards to all visitors and contractors across its operations. The Safety Team conducts mandatory safety briefings for all visitors and contractors before granting site access, reinforcing awareness of workplace hazards and safety expectations.

Contractors undertaking high-risk activities, including hot work, lifting operations, confined space entry, electrical commissioning and working at height, must strictly adhere to the Safety Control Procedure for Contractors, Suppliers and Visitors.

The Group maintains dedicated standard operating procedures tailored to the nature and risk profile of the work involved, ensuring appropriate controls, supervision and compliance measures are in place.

Through structured briefing requirements and risk-based procedures, the Group safeguards personnel, protects operational integrity and reinforces a strong safety culture across its facilities.



MENTAL HEALTH AND WELL-BEING

DFI Group prioritises the mental well-being of its employees and promotes a supportive and respectful workplace culture. The Group encourages employees seeking assistance with mental health concerns to approach their Head of Department, the Human Resources Department or the Safety Department for guidance and support.

Qualified personnel are available to manage sensitive matters, including workplace bullying and related concerns and to address issues promptly and confidentially. Through accessible support channels and structured intervention processes, the Group fosters psychological safety and reinforces a caring work environment.





Staff welfare through CSR program

HUMAN RIGHTS

The Group upholds high standards of ethical conduct across all business activities, including duty-free retail operations and automotive component parts manufacturing, in alignment with internationally recognised human rights principles. The Group sets out these commitments in its Code of Conduct, which applies to all employees, supply chain partners and business associates.

The Group requires suppliers to align with its labour standards and human rights principles, reinforcing responsible practices across the value chain and promoting consistent ethical expectations throughout its operations.

Principles, Codes and Actions with Regards to Human Rights and Labour

Freely chosen employment	The Group has zero tolerance for forced, involuntary or exploitative labour, including prison, indentured, bonded (including debt bondage), trafficked or slave labour, across its retail operations, manufacturing facilities and supply chain.
Prevention of Child Labour	The Group strictly prohibits child labour in all operations and throughout its supply chain. Child labour is work performed by any person who is: • Under 15 years of age • Below the age for completing compulsory education • Below the minimum legal age for employment The most stringent standard in the country of operation applies.
Working Hours	The Group complies with all applicable laws on working hours and overtime, including managing shift-based and peak-period operations in retail environments and ensuring reasonable working hours in manufacturing facilities, with measures in place to prevent excessive overtime.
Wages and Benefits	The Group ensures full compliance with applicable wage and employment laws, including minimum wages, overtime pay, statutory benefits, worker compensation and retirement benefits. In Malaysia, this includes compliance with the Minimum Wages Order 2024 [P.U.(A) 376/2024].
Equality and Non-discrimination	The Group promotes fair and inclusive recruitment and employment practices and does not tolerate discrimination based on race, colour, religion, age, gender, sexual orientation, marital status, ethnicity or nationality.
Freedom of Association and Collective Bargaining	The Group respects workers' rights to freedom of association and collective bargaining in accordance with local laws. An open-door policy enables employees to raise concerns or suggestions with management without fear of intimidation or retaliation.
Health and Safety	The Group has implemented a Health and Safety Management System aligned with applicable local and international occupational safety and health standards. The system addresses risks relevant to retail operations and automotive component parts manufacturing, including workplace safety, ergonomic and well-being, machinery handling, hazard identification and the use of appropriate personal protective equipment.
Talent Development	The Group supports continuous learning and skills development, including technical, safety and operational training, to enhance employee capability, performance and career progression.
Notice Period	DFI Group provides a minimum notice period of one month to all affected parties in the event of operational changes.

OUR COMMITMENT TO DELIVERING EXCELLENCE ACROSS DUTY-FREE RETAIL AND AUTOMOTIVE COMPONENT PARTS MANUFACTURING

DFI Group remains committed to delivering exceptional value to its customers, partners and communities. Across both duty-free retail and automotive component parts manufacturing operations, the Group places operational excellence, innovation and customer satisfaction at the centre of its strategy and execution.

Convenience and Accessibility	DFI Group strategically locates its retail outlets to ensure ease of access for customers, from popular tourist destinations to key transit points across Malaysia. Through THE ZON, the Group provides ample parking and a welcoming shopping environment designed to enhance customer convenience and overall experience.	
Operational Excellence and Security	Across both retail and manufacturing operations, the Group prioritises efficiency, reliability and security.	
	Duty free retail segment	DFI stores operate with optimised layouts and streamlined checkout systems, supported by robust security measures including CCTV surveillance and advanced cybersecurity controls.
	Automotive component parts manufacturing segment	UIG continuously improves production processes, reinforces supply chain systems and upholds stringent quality testing standards. Advanced machinery and structured safety controls safeguard operational integrity at every stage of manufacturing.
Cost Competitiveness and Reliability	The Group maintains competitive pricing across its businesses while upholding product quality and reliability.	
	Duty free retail segment	DFI offers high-quality products at competitive prices, reinforcing its outlets as preferred destinations for travellers.
	Automotive component parts manufacturing segment	UIG leverages strategic partnerships and continuous innovation to sustain cost efficiency while delivering components that meet OEM specifications. Longstanding collaborations with brands such as Perodua, Honda and Toyota demonstrate the Group's reliability and reinforce its strong industry standing.

Innovation and Product Excellence	DFI drives innovation across both business segments to meet evolving market expectations.	
	Duty free retail segment	DFI curates a diverse portfolio that includes premium confectionery, fragrances, spirits and other high-demand categories.
	Automotive component parts manufacturing segment	UIG develops advanced components, including plastic fuel tanks and specialised automotive component parts, aligned with industry requirements. Partnerships with global leaders such as Motherson Yachiyo Automotive Systems Co., Ltd. Japan, Bextex Kyoei Co., Ltd. Japan, Kautex Textron GmbH and Sanoh Industrial Co. Ltd. reinforce product quality and technological capability.
Sustainability and Social Responsibility	The Group operates with integrity and responsibility, embedding sustainable practices across its operations.	
	Duty free retail segment	DFI enhances environmental performance through energy-efficient systems and waste reduction initiatives.
	Automotive component parts manufacturing segment	UIG adopts responsible production methods, reduces environmental impact and promotes responsible sourcing throughout its supply chain.
	These efforts align with regulatory requirements and reflect the Group's commitment to product safety and sustainability.	
Building Strong Relationships and Future Growth	The Group remains strongly Malaysian-owned and guided by a culture of ownership and accountability. It continues to expand capacity and capability across both retail and manufacturing operations to meet evolving market demands.	
	Through strategic technology partnerships, continuous production innovation and strong stakeholder relationships, the Group positions itself for sustained growth and long-term value creation.	

COMMITMENT TO QUALITY

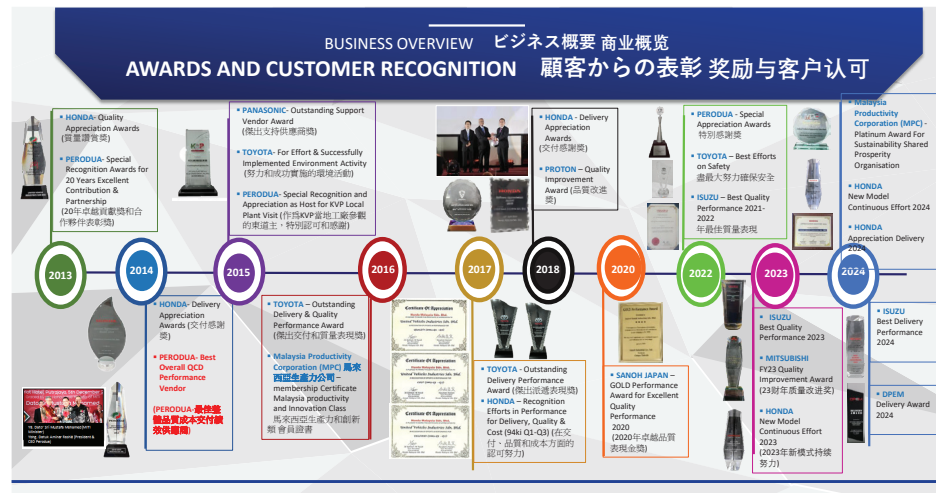
DFI Group remains committed to upholding the highest quality standards across all its operations. This focus on excellence enables the Group to deliver premium products and services that meet diverse customer needs while driving continuous improvement across every aspect of the business.

Quality Management Systems, Certifications and Recognitions

UIG anchors its quality management framework in globally recognised certifications that uphold rigorous industry standards:

- ISO 9001:2015 for quality management, driving consistency and continuous process improvement
- IATF 16949:2016 for automotive component parts manufacturing, ensuring product reliability and compliance with OEM requirements
- ISO 45001:2018 for occupational health and safety, prioritising employee well-being
- ISO 14001:2015 for environmental management, minimising operational environmental impact

These certifications shape UIG's operational discipline and reinforce a culture of quality, safety and environmental responsibility. External certifying bodies conduct regular audits to verify compliance, while internal assessments provide continuous monitoring and improvement.



Minimising Defects Across the Supply Chain

UIG applies a structured, multi-stage inspection process to minimise defects and maintain consistent product quality:

- Incoming inspection: Materials and components undergo detailed verification before entering production.
- In-process inspection: Quality controls are applied throughout production to identify and rectify issues at an early stage.
- Outgoing inspection: Final checks confirm that only products meeting required standards are released to customers.

This layered quality control framework strengthens defect prevention, reinforces process consistency and ensures that products meet stringent industry and customer requirements.

Continuous Improvement and Efficiency	DFI Group drives continuous improvement through established methodologies such as Kaizen, Lean and Six Sigma. These approaches enhance operational efficiency, reduce waste and strengthen product quality across both retail and manufacturing operations. Over the years, the automotive division has received multiple industry recognitions for quality excellence, including: • Perodua Best Overall QCD Performance Vendor 2014 • Toyota – Outstanding Delivery & Quality Performance Award 2016 • Honda – Quality Appreciation Award • Mitsubishi – FY23 Quality Improvement Award • Isuzu – Best Quality Performance (2021–2023) • Sanoh Japan – Gold Performance Award for Excellent Quality Performance 2020 These accolades reflect the division’s disciplined approach to quality management and its sustained commitment to operational excellence.
Quality Assurance in Retail Operations	In its duty-free retail operations, DFI Group maintains a rigorous focus on quality at every customer touchpoint: • Product display and stock management: Outlet managers regularly refresh merchandise displays to align with promotional campaigns, ensuring an engaging, up-to-date shopping environment. Inventory levels and stock replenishment are closely monitored to maintain product availability and minimise disruption. • Supplier audits and verification: The Group safeguards product authenticity and safety through structured supplier audits and site visits. Suppliers review product displays and merchandising standards following proper set-up, reinforcing compliance with brand and quality requirements. Through disciplined display management and supplier oversight, the Group strengthens customer confidence and upholds consistent retail standards.
Authenticity, Safety and Product Handling	DFI Group remains committed to offering only authentic and safe products. The Group sources exclusively from authorised distributors and brand principals, ensuring that all products meet stringent quality and safety standards. This commitment extends across all product categories, including spare parts, cosmetics, food items and alcohol. The Group applies strict handling and storage procedures to safeguard consumer health and maintain compliance with applicable regulatory requirements.
Variety and Exclusivity	DFI Group curates an extensive product portfolio tailored to the diverse preferences and needs of global travellers. From premium high-end offerings to exclusive travel-only collections, the Group’s selection showcases leading international brands alongside distinctive local craftsmanship.

REWARDING LOYALTY AND APPRECIATING RELATIONSHIPS

DFI Group places strong emphasis on building long-term relationships with customers and suppliers, recognising that these partnerships underpin sustainable growth and shared success.

Within its retail operations, the Group strengthens customer loyalty through the THE ZON Community Card, an exclusive membership programme. Customers who spend a minimum of RM200 in a single receipt qualify for membership, gaining access to special discounts, rewards and privileges at THE ZON outlets. This initiative enhances customer value, reinforces brand affinity and rewards continued patronage.

In automotive component parts manufacturing, the Group fosters collaborative and performance-driven supplier relationships. Regular meetings and site visits promote alignment on expectations, quality standards and delivery performance. The adoption of Kaizen, Lean and Six Sigma methodologies supports continuous improvement, operational efficiency and product excellence. Structured supplier audits and performance reviews further strengthen transparency and accountability, ensuring that high-quality products are delivered reliably and on schedule.

STRENGTHENING DATA PROTECTION

DFI Group prioritises the protection of sensitive information across its operations. The Group invests in advanced cybersecurity solutions to safeguard business systems and customer data, reducing the risk of breaches and operational disruption.

The Group complies with the Personal Data Protection Act and applicable privacy standards, regularly updating policies, procedures and controls to maintain regulatory alignment. Structured data governance practices reinforce accountability and responsible data handling.

Robust cybersecurity protocols protect critical digital assets from evolving threats. The ICT function promotes a culture of awareness by conducting regular briefings and guidance on cybersecurity best practices to strengthen organisational resilience.

The Group deploys layered security controls to detect, prevent and respond to incidents. Firewalls monitor and regulate network traffic, permitting only authorised connections, while antivirus solutions identify, isolate and neutralise malicious threats before they compromise systems. Through continuous monitoring and proactive safeguards, the Group maintains operational integrity and protects stakeholder data.

SUSTAINABILITY DATA PERFORMANCE

Indicator	Unit	FY2024	FY2025	FY2026
Economic				
Economic Value Generated *	RM'000	52,731	97,234	79,874
Employees (Salary and other benefits)	RM'000	15,391	19,866	24,502
Government (Income tax)	RM'000	3,700	3,787	5,108
Providers of capital (Dividends and finance costs)	RM'000	17,875	32,578	12,777
Community (Donations)	RM'000	266	1,162	202
Total Economic Value Distributed	RM'000	37,232	57,393	42,589
Anti-Corruption				
Confirmed incidents of corruption	No.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	No.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	No.	0	0	0
Public legal cases regarding corruption brought against DFI or its employees	No.	0	0	0
Political contributions made	RM	0	0	0
Anti-Corruption Training				
Total number of employees who have received training on anti-corruption	No.	51	0	0
Total number of executive employees who have received training on anti-corruption	No.	44	0	0
Total number of non-executive employees who have received training on anti-corruption	No.	7	0	0
Total number of governance body members who have received training on anti-corruption	No.	0	0	0
Total number of governance body members who could have received training on anti-corruption	No.	0	0	0
Total hours of executive employees who have received training on anti-corruption	Hours	352	0	0
Total hours of non-executive employees who have received training on anti-corruption	Hours	56	0	0

Sustainability REPORT (cont'd)

Indicator	Unit	FY2024	FY2025	FY2026
Economic (cont'd)				
Anti-Corruption Communication				
Total employees to whom DFI's anti-corruption policies and procedures have been communicated	No.	34	40	1
Total management employees to whom DFI's anti-corruption policies and procedures have been communicated	No.	0	0	0
Total executive employees to whom DFI's anti-corruption policies and procedures have been communicated	No.	4	0	0
Total non-executive employees to whom DFI's anti-corruption policies and procedures have been communicated	No.	30	4	1
Total business partners to whom DFI's anti-corruption policies and procedures have been communicated	No.	0	36	0
Total business partners that DFI's anti-corruption policies and procedures could have been communicated to	No.	0	0	0
Total governance body members to whom DFI's anti-corruption policies and procedures have been communicated	No.	0	0	0
Total governance body members to whom DFI's anti-corruption policies and procedures could have been communicated	No.	0	0	0
Anti-Corruption Risk				
Percentage of operations assessed for corruption-related risks	%	100	100	100
Supply-Chain				
Proportion of spending on local suppliers	%	71.48%	67.06%	70.13%
Environment				
Water				
Total water consumption	m ³	32,683	21,193	14,536
Water intensity	m ³ /RM million revenue	208	137	68
Energy				
Direct Energy *	GJ	3,578	2,740	1,674
Grid Electricity *	GJ	8,393	7,792	5,116
Renewable Energy	GJ (%)	2,653 (18.1%)	2,855 (21.3%)	997 (12.8%)

Indicator	Unit	FY2024	FY2025	FY2026
Environment (cont'd)				
Grid Electricity	kWh	2,331,436	2,164,531	1,421,155
Solar installed capacity	kWp	565	565	211
Renewable Energy	kWh	737,000	792,950	276,920
Total electricity	kWh	3,068,436	2,957,481	1,698,075
Total electricity	GJ	11,046	10,647	6,113
Total energy	GJ	14,624	13,387	7,787
Energy intensity	KJ/RM Revenue	93	86	37
* Conversion coefficients for diesel and petrol to joules are derived using the stationary combustion emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.				
GHG Emissions				
Scope 1				
CO ₂	tCO ₂ e	189	192	108
CH ₄	tCO ₂ e	0.43	0.41	0.30
N ₂ O	tCO ₂ e	0.52	0.51	0.38
Total Scope 1 Emissions	tCO ₂ e	190	193	109
Scope 2 Emissions	tCO ₂ e	1,767	1,675	1,100
Total operating emissions	tCO ₂ e	1,957	1,868	1,209
Emissions intensity	gCO ₂ e/RM Revenue	12.45	12.04	5.68
Scope 3				
<u>1. Purchased Goods and Services</u>				
CO ₂	tCO ₂ e	NA	NA	9,070
CH ₄	tCO ₂ e	NA	NA	84.4
N ₂ O	tCO ₂ e	NA	NA	54.8
HFC	tCO ₂ e	NA	NA	308
PFC	tCO ₂ e	NA	NA	14.5
SF ₆	tCO ₂ e	NA	NA	1.9
Other F-gases (unspecified)	tCO ₂ e	NA	NA	278
Total CO ₂ e	tCO ₂ e	NA	NA	9,811

Sustainability REPORT (cont'd)

Indicator	Unit	FY2024	FY2025	FY2026
Environment (cont'd)				
<u>2. Capital Goods</u>				
CO ₂	tCO ₂ e	NA	NA	206
CH ₄	tCO ₂ e	NA	NA	6.5
N ₂ O	tCO ₂ e	NA	NA	1.9
HFC	tCO ₂ e	NA	NA	37.2
PFC	tCO ₂ e	NA	NA	8.5
SF ₆	tCO ₂ e	NA	NA	1.9
Other F-gases (unspecified)	tCO ₂ e	NA	NA	34.0
Total CO ₂ e	tCO ₂ e	NA	NA	296
<u>3. Fuel- and Energy-Related Activities</u>	tCO ₂ e	101.44	87.23	56.5
<u>4. Upstream Transportation and Distribution</u>				
CO ₂	tCO ₂ e	NA	NA	6.6
CH ₄	tCO ₂ e	NA	NA	3.3
N ₂ O	tCO ₂ e	NA	NA	0.12
HFC	tCO ₂ e	NA	NA	0.08
PFC	tCO ₂ e	NA	NA	0
SF ₆	tCO ₂ e	NA	NA	<0.01
Other F-gases (unspecified)	tCO ₂ e	NA	NA	0.07
Total CO ₂ e	tCO ₂ e	NA	NA	10.1
<u>6. Business Travel</u>				
CO ₂	tCO ₂ e	NA	16	13.7
CH ₄	tCO ₂ e	NA	0.02	0.02
N ₂ O	tCO ₂ e	NA	0.14	0.14
Total CO ₂ e	tCO ₂ e	45	16	13.8
<u>7: Employee commuting ****</u>				
CO ₂	tCO ₂ e	NA	144	101
CH ₄	tCO ₂ e	NA	1.1	0.30
N ₂ O	tCO ₂ e	NA	1.3	0.23
CO ₂ e	tCO ₂ e	388	146	101
<u>8. Upstream Leased Assets</u>				
CO ₂	tCO ₂ e	NA	NA	1,661
CH ₄	tCO ₂ e	NA	NA	3.3
N ₂ O	tCO ₂ e	NA	NA	10.7
HFC	tCO ₂ e	NA	NA	2.8
Other F-gases (unspecified)	tCO ₂ e	NA	NA	2.6
Total CO ₂ e	tCO ₂ e	NA	NA	1,680

Indicator	Unit	FY2024	FY2025	FY2026
Environment (cont'd)				
<u>9. Downstream Transportation and Distribution</u>				
CO ₂	tCO ₂ e	NA	NA	15.2
CH ₄	tCO ₂ e	NA	NA	0.09
N ₂ O	tCO ₂ e	NA	NA	0.28
HFC	tCO ₂ e	NA	NA	0.52
SF ₆	tCO ₂ e	NA	NA	0.01
Other F-gases (unspecified)	tCO ₂ e	NA	NA	0.48
Total CO ₂ e	tCO ₂ e	NA	NA	16.5
<u>10. Processing of sold products</u>	tCO ₂ e	0	0	0
<u>11. Use of sold products</u>	tCO ₂ e	0	0	0
<u>12. End-of-life treatment of sold products</u>	tCO ₂ e	0	0	0
<u>13. Downstream Leased Assets</u>				
CO ₂	tCO ₂ e	NA	NA	339
CH ₄	tCO ₂ e	NA	NA	0.66
N ₂ O	tCO ₂ e	NA	NA	2.2
HFC	tCO ₂ e	NA	NA	0.56
PFC	tCO ₂ e	NA	NA	0
SF ₆	tCO ₂ e	NA	NA	0
Other F-gases (unspecified)	tCO ₂ e	NA	NA	0.53
Total CO ₂ e	tCO ₂ e	NA	NA	343
<u>14. Franchises</u>	tCO ₂ e	0	0	0
<u>15. Investments</u>	tCO ₂ e	0	0	0

Reporting Boundaries and Methodology

Reporting Boundary

DFI measures Scope 1 and Scope 2 greenhouse gas ("GHG") emissions for the consolidated accounting group using the operational control approach. The reporting boundary for Scopes 1, 2 and 3 represents 100% of operations unless otherwise stated. Associates, joint ventures and unconsolidated subsidiaries are excluded from Scope 1 and Scope 2 reporting.

Emission Factor ("EF") Framework

Scope 1: Calculated using emission factors derived from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.

Scope 2: Calculated using the Energy Commission Grid Emission Factor for Peninsular Malaysia 2022 and reported on a location-based basis.

Scope 3 (Energy & Logistics):

Fuel- and energy-related activities, business travel and employee commuting are calculated using the UK Government GHG Reporting Conversion Factors.

Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution, Upstream Leased Assets, Downstream Transportation and Distribution and Downstream Leased Assets are calculated using Open CEDA emission factors on a purchaser price basis.

Processing of Sold Products, Use of Sold Products, End-of-Life Treatment of Sold Products, Franchises and Investments are reported as zero as these categories are not applicable to DFI's operations.

Trade Adjustment Methodology

To improve accuracy against country-specific benchmarks and better reflect the embodied carbon of global supply chains, particularly for significant construction-related activities, Open CEDA emission factors are adjusted for deflation and foreign exchange movements and integrated with OECD Inter-Country Input-Output ("ICIO") tables. This Multi-Regional Input-Output ("MRIO") approach enhances the capture of trade-embodied emissions associated with imported materials and services.

Sustainability REPORT (cont'd)

Indicator	Unit	FY2024	FY2025	FY2026
Environment (cont'd)				
Non-GHG Pollution *				
<u>Criteria Air Pollutants (CAP)</u>				
NOx	kg	NA	NA	1,037
SO ₂	kg	NA	NA	1,409
CO	kg	NA	NA	1,753
PM10	kg	NA	NA	133
PM2.5	kg	NA	NA	314
VOC (aggregate)	kg	NA	NA	3,837
NH ₃	kg	NA	NA	61
<u>Ozone-Depleting Substances</u>				
Halon 1001	kg CFC-11 eq	NA	NA	1.00
1,1,1-trichloroethane	kg CFC-11 eq	NA	NA	0.14
Carbon tetrachloride	kg CFC-11 eq	NA	NA	<0.01
Methyl chloroform	kg CFC-11 eq	NA	NA	<0.01
Methyl bromide	kg CFC-11 eq	NA	NA	<0.01
Total ODP-weighted	kg CFC-11 eq	NA	NA	1.15
<u>Others</u>				
Acid & Reactive Gases	kg	NA	NA	41
Heavy Metals	kg	NA	NA	0.36
Hazardous Organic Pollutants	kg	NA	NA	41
Other Air Pollutants	kg	NA	NA	19

* Non-GHG air pollutant emissions were estimated using the USEEIO model developed by the U.S. Environmental Protection Agency.

Social				
Diversity				
Total Headcount	No.	298	220	129
<u>By Gender</u>				
Male	No. (%)	158 (53.0%)	120 (54.5%)	65 (50.4%)
Female	No. (%)	140 (47.0%)	100 (45.5%)	64 (49.6%)

Indicator	Unit	FY2024	FY2025	FY2026
Social (cont'd)				
<u>By Age Group</u>				
<30	No. (%)	56 (18.8%)	42 (19.1%)	16 (12.4%)
30-50	No. (%)	159 (53.4%)	120 (54.5%)	67 (51.9%)
>50	No. (%)	83 (27.9%)	58 (26.4%)	46 (35.7%)
<u>By Employment Contract</u>				
Permanent	No. (%)	275 (92.3%)	193 (87.7%)	113 (87.6%)
Contract	No. (%)	23 (7.7%)	27 (12.3%)	16 (12.4%)
<u>By Employment Category</u>				
Executives	No. (%)	82 (27.5%)	81 (36.8%)	59 (45.7%)
Non-executives	No. (%)	216 (72.5%)	139 (63.2%)	70 (54.3%)
<u>By Ethnicity</u>				
Malay	No. (%)	174 (58.4%)	116 (52.7%)	60 (46.5%)
Chinese	No. (%)	66 (22.1%)	57 (25.9%)	40 (31.0%)
Indian	No. (%)	10 (3.4%)	5 (2.3%)	6 (4.7%)
Others	No. (%)	48 (16.1%)	42 (19.1%)	23 (17.8%)
<u>By Disabilities</u>				
Disabled employees	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

Sustainability REPORT (cont'd)

Indicator	Unit	FY2024	FY2025	FY2026
Social (cont'd)				
<u>By Gender and Age Group for Each Employment Contract</u>				
<i>Permanent</i>				
Female	No. (%)	132 (48.0%)	94 (48.7%)	60 (53.1%)
Male	No. (%)	143 (52.0%)	99 (51.3%)	53 (46.9%)
<30	No. (%)	54 (19.6%)	37 (19.2%)	16 (14.2%)
30-50	No. (%)	158 (57.5%)	117 (60.6%)	65 (57.5%)
>50	No. (%)	63 (22.9%)	39 (20.2%)	32 (28.3%)
<i>Contract</i>				
Female	No. (%)	8 (34.8%)	6 (22.2%)	4 (25.0%)
Male	No. (%)	15 (65.2%)	21 (77.8%)	12 (75.0%)
<30	No. (%)	2 (8.7%)	5 (18.5%)	0 (0.0%)
30-50	No. (%)	1 (4.3%)	3 (11.1%)	2 (12.5%)
>50	No. (%)	20 (87.0%)	19 (70.4%)	14 (87.5%)
<u>By Gender and Age Group for Each Employment Category</u>				
<i>Non-Executive</i>				
Female	No. (%)	100 (46.3%)	62 (44.6%)	35 (50.0%)
Male	No. (%)	116 (53.7%)	77 (55.4%)	35 (50.0%)
<30	No. (%)	52 (24.1%)	38 (27.3%)	15 (21.4%)
30-50	No. (%)	115 (53.2%)	73 (52.5%)	35 (50.0%)
>50	No. (%)	49 (22.7%)	28 (20.1%)	20 (28.6%)

Indicator	Unit	FY2024	FY2025	FY2026
Social (cont'd)				
<i>Executive</i>				
Female	No. (%)	40 (48.8%)	38 (46.9%)	29 (49.2%)
Male	No. (%)	42 (51.2%)	43 (53.1%)	30 (50.8%)
<30	No. (%)	4 (4.9%)	4 (4.9%)	1 (1.7%)
30-50	No. (%)	44 (53.7%)	47 (58.0%)	32 (54.2%)
>50	No. (%)	34 (41.5%)	30 (37.0%)	26 (44.1%)
Female Representation in the Management				
Women in Middle Management	%	20.00%	12.50%	16.67%
Women in Senior Management	%	45.45%	30.00%	30.00%
Director diversity				
Total number of directors	No.	5	6	6
<i>By Gender</i>				
Male	No. (%)	5 (100.0%)	5 (83.3%)	5 (83.3%)
Female	No. (%)	0 (0.0%)	1 (16.7%)	1 (16.7%)
<i>By Age</i>				
<30	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
30-50	No. (%)	0 (0.0%)	1 (16.7%)	2 (33.3%)
>50	No. (%)	5 (100.0%)	5 (83.3%)	4 (66.7%)
<i>By Independence</i>				
Independent	No. (%)	3 (60.0%)	3 (50.0%)	3 (50.0%)
Non-Independent	No. (%)	2 (40.0%)	3 (50.0%)	3 (50.0%)

Sustainability REPORT (cont'd)

Indicator	Unit	FY2024	FY2025	FY2026
Social (cont'd)				
Turnover				
Total turnover	No. (rate *)	37	121	114
<u>Turnover by Gender</u>				
Male	No. (rate *)	20 (12.8%)	61 (43.9%)	68 (73.5%)
Female	No. (rate *)	17 (8.1%)	60 (35.3%)	46 (40.4%)
<u>Turnover by Age Group</u>				
<30	No. (rate *)	19 (30.9%)	33 (67.3%)	33 (113.8%)
30-50	No. (rate *)	14 (9.0%)	56 (40.1%)	59 (63.1%)
>50	No. (rate *)	4 (5.1%)	32 (45.4%)	22 (42.3%)
<u>Turnover by Employment Contract</u>				
Permanent	No. (rate *)	27 (10.0%)	107 (45.7%)	94 (61.4%)
Contract/Temporary	No. (rate *)	10 (38.5%)	14 (56.0%)	20 (93.0%)
<u>Turnover by Employment Category</u>				
Executive	No. (rate *)	2 (2.5%)	14 (17.2%)	27 (38.6%)
Non-executive	No. (rate *)	35 (16.2%)	107 (60.3%)	87 (83.3%)
Voluntary/involuntary Turnover				
Voluntary turnover	No. (%)	NA	40 (33.1%)	33 (28.9%)
Involuntary turnover	No. (%)	NA	81 (66.9%)	81 (71.1%)

* Turnover rate is calculated by dividing the employees leaving by the average number of employees for each category.

Indicator	Unit	FY2024	FY2025	FY2026
Social (cont'd)				
New hires				
Total new hires	No.	43	40	23
<u>By gender</u>				
Male	No.	23	23	13
Female	No.	20	17	10
<u>By age</u>				
<30	No.	29	20	13
30-50	No.	14	17	5
>50	No.	0	3	5
Other Labour Practices				
Average hourly wage	RM	18	20	24
Percentage of in-store and distribution centre employees earning minimum wage, by region	%	NA	NA	NA
In-store				
Northern	%	49%	43%	45%
East Coast	%	40%	50%	47%
Central	%	0%	0%	0%
Southern	%	41%	53%	0%
Total	%	45%	47%	44%
Distribution				
Northern	%	20%	16%	17%
East Coast	%	NA	NA	NA
Central	%	0%	0%	0%
Southern	%	17%	0%	NA
Total	%	19%	15%	14%
Total amount of monetary losses as a result of legal proceedings associated with labour law violations	RM	0	0	0
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	RM	0	0	0

Sustainability REPORT (cont'd)

Indicator	Unit	FY2024	FY2025	FY2026
Social (cont'd)				
Corporate Social Responsibility				
Total contribution to non-profit organisations	RM	250,000	1,150,000	200,000
Total number of beneficiaries of the investment in communities	No.	NA	NA	NA
Training				
Total training hours	Hours	3,258	2,446	2,715
Training Hours by Employment Category				
Executive	Hours	1,608	1,226	1,763
Non-executive	Hours	1,650	1,220	952
Training Hours by Gender				
Male	Hours	1,499	1,293	1,013
Female	Hours	1,759	1,154	1,702
Training Hours by Contract				
Permanent	Hours	3,142	2,163	2,554
Contract	Hours	116	284	162
Average training hours per employee	Hours	11	11	21
Health and Safety				
Number of work-related fatalities	No.	0	0	0
High-consequence injuries	No.	0	0	0
Recordable injuries	No.	0	0	0
Recordable work-related ill health cases	No.	0	0	0
Number of employees trained on health and safety standards	No.	57	0	0
* Number of lost time injuries in the reporting period / total number of hours worked in the reporting period *200,000				
Human rights				
Number of substantiated complaints concerning human rights violations	No.	0	0	0

Indicator	Unit	FY2024	FY2025	FY2026
Social (cont'd)				
Data Privacy and Security				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0
Proportion that are personal data breaches	%	NA	0	0
Number of customers affected	No.	NA	0	0
Customer Health & Safety / Product Responsibility				
Total number of significant product and service categories for which health and safety impacts are assessed for improvement	No.	NA	NA	0
Total number of significant product and service categories	No.	NA	NA	0
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	NA	NA	NA
Total number of incidents of non-compliance with regulations or voluntary codes concerning the health & safety impacts of products and services within the reporting period	No.	NA	0	0
Number of recalls issued and total units recalled for health and safety reasons	No.	NA	0	0

METRICS AND TARGET

In line with the IFRS Sustainability Disclosure Standards, we have identified a comprehensive set of metrics to track and manage our sustainability performance. These metrics encompass various areas, including environmental impact, social responsibility, governance practices and supply chain performance. Each metric is tied to specific targets, ensuring that we are actively working towards measurable outcomes that drive long-term value creation for our stakeholders. The following section outlines the metrics, their targets and their alignment with the company's broader sustainability goals and business strategy.

We ensure consistency in tracking and reporting metrics by establishing clear baselines for each key indicator, such as Water Consumption and Energy Consumption. This consistency allows for reliable comparisons over time and supports the long-term monitoring of our sustainability goals.

Pillar	Focus Area	Target	Status	Link to Financial Impact/Risk Mitigation	Strategic Alignment
Economic	Ethics	Zero incidents of corruption and bribery	On track	Prevents legal penalties, regulatory fines and reputational damage, which could directly affect profits and operational continuity.	Reinforces the company's ethical business conduct, critical for maintaining stakeholder trust in both duty-free retail and automotive component parts manufacturing.
	Supplier performance	5 suppliers audited annually	On track	Improved supplier performance reduces the likelihood of disruptions, ensuring reliable product availability and cost-effective sourcing, which impacts both retail and manufacturing margins.	Aligns with the company's strategy of enhancing supplier relationships and reducing supply chain risks in both duty-free retail and automotive sectors
Environment	Water	The original target to reduce water intensity by 3% by FY2026 was set with FY2024 as the baseline. However, due to changes in business operations and requirements, including the closure of retail outlets and the acquisition of a new group of subsidiaries, the baseline has been revised to FY2026 to better reflect the Group's current operating conditions. Accordingly, the target timeline has been extended to FY2029. The Group remains committed to achieving the target based on the revised baseline and timeline.	In progress	Reduces water-related operational costs (retail and manufacturing), preventing excess utility expenses and enhancing resource efficiency.	Supports sustainability in manufacturing processes and aligns with environmental responsibility initiatives across both sectors.

Pillar	Focus Area	Target	Status	Link to Financial Impact/Risk Mitigation	Strategic Alignment
Environment (cont'd)	Energy	The original target to reduce energy intensity by 3% by FY2026 was set with FY2024 as the baseline. However, due to changes in business operations and requirements, including the closure of retail outlets and the acquisition of a new group of subsidiaries, the baseline has been revised to FY2026 to better reflect the Group's current operating conditions. Accordingly, the target timeline has been extended to FY2029. The Group remains committed to achieving the target based on the revised baseline and timeline.	In progress	Leads to reduced energy costs in both retail stores and manufacturing facilities, offsetting rising energy prices and contributing to cost-saving goals.	Supports energy efficiency in manufacturing and retail operations, aligning with the company's goal of reducing carbon footprint.
	Waste	Replacing conventional bags with biodegradable or recycled options by FY2027	In progress	Reduces waste disposal and packaging costs across retail outlets and manufacturing plants, while also mitigating the risk of fines from non-compliance with waste management regulations.	Aligns with the company's shift toward circular-economy practices, improving sustainability across both the retail and manufacturing sectors.
Social	Customer satisfaction	Customer complaints below 3 cases	On track	Enhances customer loyalty and repeat business in the duty-free retail sector, ensuring a stable revenue stream and competitive advantage.	Aligns with the customer-centric strategy, vital for maintaining a strong brand in the highly competitive duty-free retail market.
	Data privacy	Zero breaches of customers' information	On track	Prevents costly data breaches, legal penalties and reputational harm, which can have direct financial consequences and disrupt operations.	Supports the company's data security and trust-building initiatives, which are critical to maintaining customer relationships across retail and manufacturing.
	Gender diversity	Gender diversity ratio of 52%-55% male and 45%-48% female employees	On track	A more diverse workforce drives greater innovation and productivity, boosting operational efficiency and enhancing customer engagement in retail settings.	Supports the company's strategic goals of fostering inclusivity and improving team performance across both retail and manufacturing divisions.

GRI CONTENT INDEX

Statement of use	Duty Free International Limited has reported the information cited in this GRI content index for the period from 1 March 2025 to 28 February 2026, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	Front page
	2-2 Entities included in the organisation's sustainability reporting	4-5, 18
	2-3 Reporting period, frequency and contact point	19
	2-4 Restatements of information	No restatement of information
	2-5 External assurance	19
	2-6 Activities, value chain and other business relationships	1-2
	2-7 Employees	90-93
	2-8 Workers who are not employees	92
	2-9 Governance structure and composition	12-15
	2-10 Nomination and selection of the highest governance body	15
	2-11 Chair of the highest governance body	15
	2-12 Role of the highest governance body in overseeing the management of impacts	23
	2-13 Delegation of responsibility for managing impacts	23
	2-14 Role of the highest governance body in sustainability reporting	23
	2-15 Conflicts of interest	104
	2-16 Communication of critical concerns	8-9
	2-17 Collective knowledge of the highest governance body	11
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	118-119
	2-19 Remuneration policies	120-121
	2-20 Process to determine remuneration	120-121
	2-21 Annual total compensation ratio	120-121
	2-22 Statement on sustainable development strategy	20-21
	2-23 Policy commitments	25
	2-24 Embedding policy commitments	26
	2-25 Processes to remediate negative impacts	31
	2-26 Mechanisms for seeking advice and raising concerns	45
	2-27 Compliance with laws and regulations	45, 47, 67
	2-28 Membership associations	43, 44
	2-29 Approach to stakeholder engagement	27-30
	2-30 Collective bargaining agreements	79

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	31
	3-2 List of material topics	32-34
	3-3 Management of material topics	32-34
GRI 102: Climate Change 2025	102-1 Transition plan for climate change	51
	102-2 Climate change adaptation plan	51
	102-3 Just transition	51, 54
	102-4 GHG emissions reduction targets and progress	62-63
	102-5 Scope 1 GHG emissions	87
	102-6 Scope 2 GHG emissions	87
	102-7 Scope 3 GHG emissions	87-89
	102-8 GHG emissions intensity	87
GRI 103: Energy 2025	103-1 Energy policies and commitments	47-48
	103-2 Energy consumption and self-generation within the organization	86-87
	103-3 Upstream and downstream energy consumption	86-87
	103-4 Energy intensity	87
	103-5 Reduction in energy consumption	86-87
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	37
	201-2 Financial implications and other risks and opportunities due to climate change	55-56
	201-3 Defined benefit plan obligations and other retirement plans	71
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	1:1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	36-38
	203-2 Significant indirect economic impacts	36-38
GRI 204: Procurement Practices 2016	204-1 Proportion of spend on local suppliers	86
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	86
	205-2 Communication and training about anti-corruption policies and procedures	45
	205-3 Confirmed incidents of corruption and actions taken	86
GRI 303: Water and Effluents 2016	303-5 Water consumption	86
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	63-65
	306-2 Management of significant waste-related impacts	63-65
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	41
	308-2 Negative environmental impacts in the supply chain and actions taken	43

Sustainability REPORT (cont'd)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	94-95
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	71
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	79
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	74
	403-2 Hazard identification, risk assessment and incident investigation	76-77
	403-3 Hazard identification, risk assessment and incident investigation	74
	403-4 Worker participation, consultation, and communication on occupational health and safety	74-75
	403-5 Worker training on occupational health and safety	75-77
	403-6 Promotion of worker health	77
	403-9 Work related injuries	96
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	96
	404-2 Programmes for upgrading employee skills and transition assistance programmes	68
	404-3 Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	90-93
	405-2 Ratio of basic salary and remuneration of women to men	1:1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	79, 95
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right freedom association and collective bargaining may be at risk	79
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	79
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	79
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	67
GRI 415: Public Policy 2016	415-1 Political contributions	85
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	80-81
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labelling	80-83
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	84, 97

The Board of Directors (“Board”) of Duty Free International Limited (the “Company”) and its subsidiaries (together with the Company, collectively the “Group”) is committed and dedicated to upholding a high standard of corporate governance within the Group by adopting and complying, where possible, with the Principles and Provisions of the Code of Corporate Governance 2018 (the “Code”). The Board believes that good corporate governance is imperative and an integral element of a sound corporation that provides the framework for an ethical and accountable corporate environment, which will protect the interests of the Company’s various stakeholders, including employees, suppliers, customers, shareholders (“Shareholders”), as well as society at large, promote stakeholders’ confidence and create long-term value and return for its Shareholders.

This corporate governance report (“Report”) outlined the Group’s corporate governance practices that were in place throughout the financial year ended 28 February 2026 (“FY2026”), with reference made to each of the principles and provisions of the Code, which forms part of the continuing obligations of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Board of the Company confirms that, for FY2026, the Company has generally adhered to the principles and guidelines in the Code, except where otherwise stated. Where there are deviations from the Code, the Board having considered alternative practices adopted by the Group, are sufficient to meet the underlying objectives of the Code and appropriate explanations have been provided in the relevant sections.

(A) BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The primary role of the Board is to provide effective leadership and strategic direction to protect and enhance long-term value and return to its shareholders and other stakeholders. The Board oversees the business affairs of the Group and is responsible for overall corporate strategy direction/plans including its financial performance and corporate governance practices of the Group as well as to ensure transparency and accountability to key stakeholder groups. Provision 1.1

Apart from its statutory responsibilities, the Board’s principal roles and functions are to:

1. set and direct the strategic objectives for the Group which include appropriate focus on value creation, innovation and sustainability;
2. review and approve the Group’s strategic plans, corporate policies, key operational initiatives, major investments and divestments and funding proposal;
3. review and approve the budget as well as monitor and review the operational and financial performance and/or plans of the business;
4. review and approve the quarterly and full year financial results announcements of the Group including annual reports, circulars and/or material transactions (if any);
5. provide guidance and oversight on the overall management of the business and operations of the Group;
6. oversee the processes for risk management, financial reporting, regulatory compliance and evaluate the adequacy and effectiveness of internal controls;
7. establish objectives and goals for the management of the Company (“Management”), evaluate the performance of the Management and approve the recommended framework of remuneration for the Board and key management personnel (“KMP”) by the Management;
8. consider sustainability issues including environmental and social factors as part of its long-term strategic formulation.

Corporate GOVERNANCE REPORT (cont'd)

The Directors, in the course of carrying out their duties and responsibilities at all times, exercise due diligence and independent judgement and are obliged to act in good faith and in the best interests of the Group and its Shareholders at all times. In addition, the Board assumes responsibility for setting the right “tone at the top” through its policies and decision-making processes so to promote and uphold the Group’s corporate values and to ensure proper accountability throughout the Group.

In addressing and managing conflicts of interests, the Directors are required to promptly declare any actual, potential and perceived transactions at a Board meeting or by written notification to the Company Secretary. In addition, the Company has in place procedures for Directors to give general notice of any interests in any corporation or firm, in order to anticipate possible conflicts of interest between the Directors and the Group. This procedure is conducted upon appointment and annually, prompting Directors to update any change in interests and/or confirm its previous disclosures. Where a potential conflict of interest arises, the Director concerned is required to recuse him/herself from discussions and decisions involving the issue of conflict and refrain from exercising any influence over other members of the Board in respect of the issue.

Continuous training for Director(s) and orientations for incoming Director(s)

The Board ensures that incoming new Director(s) is/are given guidance and orientation (including onsite visits its operational facilities, if necessary) to get familiarised with the Group’s business including its structure and strategic directions upon their appointment and to facilitate the effective discharge of their duties.

Provision 1.2
Provision 4.5

A formal letter of appointment is furnished to every newly appointed Director upon his/her appointment explaining, among other matters, his/her roles, obligations, statutory duties and responsibilities as member of the Board.

For newly appointed Director who does not have prior experience as a director of a public listed company in Singapore, the Company will, in addition to the induction as detailed above, arrange for such new Director to attend the SGX-ST’s prescribed training courses on the roles and responsibilities of a director of a listed company within one year from the date of his/her appointment to the Board in order to have the relevant knowledge under the Listing Manual of SGX-ST (“Listing Manual”) and the relevant rules and regulations governing a listed company, unless the Nominating Committee (“NC”) is of the view that such training is not required because the Director has other relevant experience or knowledge.

During FY2026, Sebastian Paul Lim Chin Foo (“Sebastian Lim”) was appointed as Non-Independent Non-Executive Director on 10 November 2025. He has attended the prescribed training on the roles and responsibilities of a director of a listed issuer which was organised by Singapore Institute of Directors in compliance with the mandatory training requirements pursuant to Rule 210(5)(a) of the Listing Manual.

The Directors are also kept abreast of developments which are relevant to the Group, which have important bearing on the Group and the Directors’ obligations to the Group, from time to time. Relevant updates or new releases issued by the SGX-ST including the Code or Listing Manual (if applicable) and the Accounting and Corporate Regulatory Authority (“ACRA”) which are relevant to the Directors or new articles/reports (if any) which are relevant to the Group are circulated to all the directors from time to time. In addition, the Group’s external auditors also provide periodic briefing to the Audit Committee (“AC”) on changes or amendments to the accounting standards and their impact on the financial statements.

All Directors of the Company have attended and completed the mandatory sustainability training on Environmental, Social and Governance Essentials organised by Singapore Institute of Directors in compliance with Rule 720(7) of the Listing Manual, as well as in-house training for all directors such as training on Board Governance & Oversight on ESG Impact on Group’s Business.

On an on-going basis, the Management regularly updates and keep the Directors abreast on the business activities of the Company during Board meetings. Directors will also be given opportunities to visit the Group’s operational facilities and meet with the Management so as to gain a better understanding of the Group’s business operations.

Corporate GOVERNANCE REPORT (cont'd)

The Directors are conscious of the importance of continuing education in areas such as legal and regulatory responsibilities and accounting issues, so as to update and refresh themselves on matters that may affect their performance as a Board, or as a member of a Board committee by attending training for Directors on such relevant new laws, regulations and changing commercial risks from time to time when appropriate. Such conferences and seminars as well as other training courses will be arranged and funded by the Company for all Directors, if required.

Matters requiring Board's approval

The Board has adopted a set of internal guidelines setting out matters reserved for the Board's approval. Matters that require the Board's decision or approval are clearly communicated to the Management in writing. They include the following corporate matters (*but not limited to*): Provision 1.3

- (i) material investments, divestments, joint ventures, acquisitions and/or disposal of assets;
- (ii) annual budget;
- (iii) quarterly and full-year financial result announcements to be released to SGX-ST;
- (iv) approval of the annual reports, sustainability reports and/or audited financial statements;
- (v) approval of the interested person transactions (as defined under Chapter 9 and 10 of the Listing Manual);
- (vi) declaration of interim dividends, proposal of final dividends and/or other returns to shareholders;
- (vii) convening of general meetings;
- (viii) change of Directors (including the Board Committees) and KMP;
- (ix) all capital-related matters including issuance of new shares or changes in the capital of the Company; and
- (x) any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution ("Constitution").

While matters relating to the Group's strategies and policies require the Board's decision and approval, the Management is responsible for the day-to-day operations and administration of the Group.

Delegation of authority to Board Committees

To facilitate strategic oversight over the Company and discharge its responsibilities effectively and efficiently, the Board has established a number of Board committees, namely AC, NC and Remuneration Committee ("RC") (collectively, "Board Committees") and delegated certain functions to the Board Committees. Committees or sub-committees may be formed from time to time to address specific areas as and when the need arises. Provision 1.4

The Board Committees operate within clearly defined terms of reference and procedures, which are reviewed regularly to ensure their continued relevance. Each Board Committee is chaired by an Independent and Non-Executive Director ("Independent Director") and comprises a majority of Independent Directors. The effectiveness of each committee is constantly monitored, and the chairman of each committee reports back to the Board with updates, decisions, and/or recommendations.

Membership of the Board Committees is designed to distribute responsibilities across Board members and to leverage the diversity and experience of each individual. The Board reviews the committee structure and membership periodically, particularly when there are changes to Board composition, to ensure an appropriate breadth of skills, continuity of experience, and balanced distribution of duties.

Corporate GOVERNANCE REPORT (cont'd)

Further details of the composition, terms of reference, duties, and functions of the respective Board Committees are disclosed in this Report.

An Executive Committee (“EXCO”) was established on 10 November 2025, with the primary responsibility of overseeing the implementation of strategic decisions, policies, business plan, and directives issued by the Board to Management.

Following a comprehensive review to optimize its decision-making framework and enhance operational efficiency, the Board resolved on 21 May 2026 to dissolve the EXCO. All responsibilities formerly managed by the EXCO has been assumed by the Board and relevant management teams to ensure continuity and accountability.

Meetings of Board and Board Committees

The Board meets regularly on a quarterly basis. In addition, it holds additional meetings at such other times as may be necessary to address specific significant matters that may arise. The schedule of Board and Board Committee meetings is planned well in advance in consultation with the Directors to ensure maximum participation. Provision 1.5

To facilitate effective participation, the Constitution and the terms of reference of the Board Committees permit meetings to be held via conference telephone, video-teleconference, or similar communications equipment, provided that all participants are able to hear one another. This allows Directors to attend meetings without being physically present, thereby enhancing flexibility and ensuring that important matters can be addressed promptly.

In addition to physical and virtual meetings, important matters concerning the Group may also be put to the Board and Board Committees for decision by way of written resolutions. Minutes of all Board and Board Committee meetings are prepared and made available to Directors, upon request and in the absence of any conflict of interest.

Presentations and updates given by key executives at the Board meetings allow the Board to develop a good understanding of the progress of the Group’s business, challenges, and opportunities. These sessions also promote active engagement between Board members and senior management. Risk management matters and other major issues relevant to the Company’s performance or position are highlighted to the Board to ensure timely oversight and informed decision-making.

The attendance record of the Directors at the Board and Board Committees’ meetings held during FY2026 are set out in the table below:

Name of Director	No. of Meetings attended / No. of Meetings held			
	Board	AC	NC	RC
Dato’ Sri Adam Sani bin Abdullah	5/7	–	2/2	2/2
Sebastian Paul Lim Chin Foo ⁽¹⁾	1/1^	–	–	–
Jeneral Tan Sri Dato’ Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	7/7	6/6	2/2	2/2
Quek Meng Teck, Derrick	7/7	6/6	2/2	–
Haslin binti Osman	6/7	5/6	–	1/2
Chew Soo Lin	7/7	6/6	–	–
Lee Sze Siang ⁽²⁾	3/6^	2/5^*	–	–

⁽¹⁾ Appointed as Director of the Company with effect from 10 November 2025

⁽²⁾ Resigned as Director of the Company with effect from 10 November 2025

^ Based on the total number of meetings held during the Director’s tenure in office

* By invitation

Corporate GOVERNANCE REPORT (cont'd)

Access to information

The Board is provided with complete and adequate information on a timely manner, prior to Board and Board Committees' meetings and kept informed of on-going developments within the Group. Board papers are generally made available to Directors on a timely manner, before the meetings and would include financial management reports, reports on performance of the Group, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group. This is to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees' meetings. Sensitive matters may, however, be tabled at the meeting itself or discussed without prior distribution of papers.

Provision 1.6

If a Director is unable to attend a scheduled meeting, he or she may dial in, or provide any comments to the Chairman of the Board. Minutes of the previous meetings are circulated in advance and confirmed at Board meetings.

Management provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a quarterly basis and when deemed appropriate by particular circumstances. The Board takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the Listing Manual. In line with the Listing Manual, the Board provides a negative assurance statement to the Shareholders in respect of the interim financial statements. Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of quarterly and full year financial statements of the Group. This allows the Board to monitor the Group's performance as well as Management's achievements of the goals and objectives determined and set by the Board.

Management also provides detailed explanations of Board papers, including disclosure of material variances between budgeted and actual results. All Directors have unrestricted access to Management and may request additional information when necessary to make informed decisions and discharge their duties.

The Company's internal and external auditors, as well as key executives, are invited from time to time to attend Board and Board Committee meetings to provide insights and respond to queries. This ensures that Directors receive independent perspectives on matters under discussion. When circumstances require, Directors may also exchange views outside the formal environment of Board and Committee meetings, promoting open communication and effective oversight.

Separate and independent access to Management and Company Secretary

The Directors have separate and independent access to the Management and the Company Secretary at all times to address any enquiries. Should the Directors, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the concurrence of the Non-Executive Chairman or the Chairman of the Board Committees requiring such advice) will be appointed at the Company's expense.

Provision 1.7

The role of the Company Secretary is clearly defined and includes responsibility for ensuring that Board procedures are properly followed, and that applicable rules and regulations are complied with. Acting as secretary to the Board and Board Committees, the Company Secretary facilitates effective communication and coordination between the Board, the Board Committees and the Management. The Company Secretary also assists the Chairman of the Board, Board Committees and the Management in the development of the meeting agendas. Together with other members of the Group's management, the Company Secretary ensures that the Company complies with applicable statutory and regulatory requirements.

The Company Secretary or her representatives administer, attend and prepare minutes of all Board and Board Committees' meetings and assist the Chairman of the Board and the chairman of the Board Committees in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and the Board Committees function effectively in accordance with the relevant requirements of the Companies Act 1967 ("Companies Act"), Listing Manual, Constitution and respective terms of reference.

Corporate GOVERNANCE REPORT (cont'd)

During FY2026, the Company Secretary and her representative attended all the Board and Board Committees' meetings, and the minutes of respective meetings are also circulated to the Board for review and approval.

The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Independence of Directors

The NC is tasked with determining the independence of each Director annually, and as and when the circumstances require, taking into consideration the Listing Manual, the Code, its accompanying Practice Guidance and any other circumstances or relationships that might impact a Director's independence or the perception of independence. Provision 2.1

In assessing independence, the NC adopts the definition set out in the Code, which considers an Independent Director as one who is independent in conduct, character, and judgement, and who has no relationship with the Company, its related corporations, substantial shareholders, or officers that could interfere, or be reasonably perceived to interfere, with the exercise of independent business judgement in the best interests of the Company.

The NC also reviews the independence of Directors based on Rule 210(5)(d) of the Listing Manual which sets out the specific circumstances in which a director should be deemed non-independent. These circumstances include:

- (1) A Director who is employed by the Company or any of its related corporations for the current or any of the past three financial years;
- (2) A Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC; or
- (3) A Director who has served on the Board for an aggregate period of more than nine years (whether before or after listing), such that he may be considered as non-independent upon the conclusion of the next annual general meeting ("AGM") of the Company.

Each Independent Director is required to complete an annual confirmation of independence and self-declaration (the "Declaration") and to declare whether they consider themselves independent even if they have any of the relationships which are deemed to be non-independent based on the standards of independence in the Code. Such declarations assist the NC in its determination of the Directors' independence.

All Independent Directors have made Declaration on their respective status of independence and have confirmed that they do not have any relationships with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

Corporate GOVERNANCE REPORT (cont'd)

Specifically, neither the Independent Directors nor their immediate family members have been employed by the company or its related corporations in the current or past three financial years. In addition, none of the Independent Directors and their immediate family members in the current or immediate past financial year provided to or received from the Company or any of its subsidiaries any significant payment or material services in excess of S\$50,000 other than compensation for board service. None of the Independent Directors and their immediate family members in the current or immediate past financial year was a substantial shareholder (with 5% or more stake), executive officer, director of any organisation which provided to or received from the Company significant payments or material services in excess of S\$200,000.

Based on the Declaration submitted by the Independent Directors in office as at 28 February 2026, the NC has reviewed and determined that these Independent Directors are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgement. The Board has accepted the NC's assessment of Directors' independence.

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on their professionalism, integrity, objectivity as well as they possess core competencies such as financial, accounting and legal and not merely based on form such as the number of years which they have served on the Board.

As at the date of this Report, none of the existing Independent Directors of the Company have served on the Board for a period exceeding nine years from the date of their appointments.

Each member of the NC and the Board recused themselves from the deliberations on their independence.

Proportion of Independent Non-Executive Directors

The Non-Executive Chairman, Dato' Sri Adam Sani bin Abdullah, is not independent in accordance with the definition of the Code. Provision 2.2

The Company notes that the current Board composition is not in compliance with Provision 2.2 of the Code that the Independent Directors make up a majority of the Board where the Chairman is not independent. Nonetheless, the Board has a strong and independent element with three (3) Independent Directors that make up more than one-third of the Board, in compliance with Rule 210(5)(c) of the Listing Manual. In addition, the Company had appointed Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) as the Lead Independent Director, to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent.

This provides a strong and independent element on the Board and is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined. Therefore, the NC considered the Board has sufficient independent element and its composition is appropriate to facilitate effective decision-making, and no individual or small group of individuals dominates the Board's decision-making process. The Board is able to exercise objective judgement independently from Management on corporate affairs of the Group as the Independent Directors constitute half of the Board.

Corporate GOVERNANCE REPORT (cont'd)

Board composition, size and diversity

As of the date of this Report, the Board comprises the following six (6) Directors, of whom three (3) are Non-Independent and Non-Executive Directors and the remaining three (3) are Independent Directors:

Provision 1.4
Provision 2.3
Provision 2.4

Non-Independent and Non-Executive Directors

Dato' Sri Adam Sani bin Abdullah (Non-Executive Chairman)
Sebastian Paul Lim Chin Foo
Chew Soo Lin

Independent Directors

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

The details of the Board composition as of the date of this Report are summarised as follows:

Name of Director	Designation	Date of First Appointment	Date of Last Re-election	AC	NC	RC
Dato' Sri Adam Sani bin Abdullah	Non- Executive Chairman	7 January 2011	26 June 2024	–	Member	Member
Chew Soo Lin	Non- Independent Non-Executive Director	26 August 2011	26 June 2024	Member	–	–
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	Lead Independent Director	2 May 2024	25 June 2025	Member	Chairman	Member
Quek Meng Teck, Derrick	Independent Director	2 May 2024	26 June 2024	Chairman	Member	–
Haslin binti Osman	Independent Director	2 May 2024	26 June 2024	Member	–	Chairman
Sebastian Paul Lim Chin Foo	Non- Independent Non-Executive Director	10 November 2025	Not applicable	–	–	–

The profiles of each of the Directors are set out on pages 12 to 13 of this Annual Report.

Corporate GOVERNANCE REPORT (cont'd)

The Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. A diverse Board will include and make good use of differences in the skills, industry knowledge and professional experience, cultural and education background and other qualities of the Directors and does not discriminate on the ground of race, age, gender or religious belief.

On an annual basis, the NC reviews the appropriateness of the current Board size and composition, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment of the Group. In reviewing the Board composition and succession planning, the NC reviews, on a yearly basis the size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. These competencies include accounting and finance, business acumen, management consultancy experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with legal and regulatory requirements and knowledge of risk management. This structured approach ensures that the Board maintains the necessary breadth of expertise and diversity to provide effective oversight and guidance to the Company.

The Company is committed to providing fair and equal opportunities and to nurturing diversity within the Group. To this end, the Company has adopted a Board Diversity Policy, under which diversity is considered across a wide range of aspects in designing the Board's composition. These aspects include, but not limited to, age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time.

High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.

To achieve an optimal Board composition, measurable objectives and specific diversity targets may be set and reviewed periodically to ensure their appropriateness and continued relevance.

The targets, plans, timelines, and progress towards achieving these objectives are summarised below:

(a) Diversity of Gender

The Board recognises gender as one of the important aspects of diversity.

As of the date of this Report, the Company has one female director, namely Haslin binti Osman, as Independent Director of the Company with effect from 2 May 2024 which represents 16.67% of the existing Board composition.

The NC will work towards fostering and maintaining gender diversity, following a merit-based approach that considers the necessary skills, experience, independence, and knowledge required by the Board to effectively fulfil its responsibilities.

Corporate GOVERNANCE REPORT (cont'd)

(b) Diversity of Age

There is no age limit for the Directors as weight should be given to suitable candidates with reputed and experience.

While no specific targets have been set for age diversity, the existing Board comprises of Directors from a diverse age group with ages ranging from early 40s to late 70s years old and possess appropriate mix and balance of diversity of skills, independence, knowledge and experience which allow for effective direction for the Group.

Nonetheless, the Company will endeavour to promote age diversity when considering the composition of the Board for any appointment. At the same time, the Company continues to value the contribution of its Board members regardless of age.

(c) Tenure of Service of Board of Directors

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual, a director who has been a director of the Company for aggregate period of more than nine years will not be independent. Such director may continue to be considered independent until the conclusion of the next annual general meeting and shall either step down or re-designated as Non-Independent Non-Executive Director upon the conclusion of the said annual general meeting.

As such, the tenure of each Independent Director is monitored closely every year so that the process for Board renewal is reviewed and considered ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence.

As at the date of this Report, there are no Independent Directors who have served on the Board more than nine years from the date of his/her first appointment.

(d) Diversity of Expertise

High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.

The existing Board comprises of Directors who as a group have an appropriate balance and mix of skills, knowledge, experience and diversity of thought, so as to foster constructive and robust debate and avoid groupthink.

In addition, the Company will also ensure that at least two Board members who have relevant accounting or related financial management expertise or experience sit in the AC to comply with the Provision 10.2 of the Code.

For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.

(e) Independence

The Company believes that the Board's independence enables the Board to function effectively at an optimum level during the year and exercise objective judgment on corporate affairs independently.

As at 28 February 2026, the Board comprises of six (6) members of which three (3) were Independent Directors. The Board maintains the proportion of independent Board members, which make up more than one-third of the Board, in compliance with Rule 210(5) (c) of the Listing Manual.

Corporate GOVERNANCE REPORT (cont'd)

The NC is tasked with reviewing the Board Diversity Policy and its targets for diversity from time to time and to ensure its continued effectiveness and alignment with best practice and the requirements of the Code and any other relevant legislation. Any revisions or improvements, where necessary, will be recommended to the Board for approval as well as any further progress made towards the said policy will be disclosed in future Reports, as appropriate.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- (a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- (b) annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the potential gaps in the areas of expertise and competencies of the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors. The NC will also continuously review the composition of the Board so that it will have the necessary competency to be effective.

The NC will further consider other aspects of diversity such as skills, knowledge, professional and commercial experience, gender, age, length of service and other relevant factors. In addition, NC has also assessed the current level of diversity on the Board to be satisfactory and thus, the Company takes the approach that maintaining a satisfactory level of diversity is an on-going process. Accordingly, the current plan is to monitor and assess, alongside developments in the Group's operations, whether the current Board composition presents a satisfactory level of diversity and allows for effective collaboration between and contribution by the Directors.

The Board and the NC have considered and are satisfied that the current size and composition of the Board is appropriate has adequate ability to meet the existing scope of needs and the nature of operations of the Group, which facilitates effective decision-making. As at the date of this Report, the Board is confident that its directors possess the essential competencies and knowledge required to effectively lead and govern the Group and that its existing composition achieves a diversity of skills, knowledge and experience to the Company which summarised as follows: -

Diversity of the Board	Number of Directors	Proportion of Board
Core Competencies		
Accounting or/and finance or/and legal or/and corporate governance	4	66.67%
Business management, business acumen, management consultancy experience, or strategic planning experience	6	100%
Relevant industry knowledge or experience	3	50%
Gender		
Male	5	83.33%
Female	1	16.67%
Age		
49 and below	2	33.33%
50 to 69	1	16.67%
70 and above	3	50.0%

Corporate GOVERNANCE REPORT (cont'd)

Non-Executive Directors and Independent Directors do not participate in the Group's management functions. Although all the Directors share equal responsibility for the performance of the Group, the role of the Non-Executive Directors and Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully disclosed and rigorously examined and take into account the long-term interests, not only of the Shareholders, but also of the employees, customers, suppliers and the communities in which the Group conducts its business. The Non-Executive Directors and Independent Directors are also involved in reviewing the performance of Management against agreed goals and objectives. The NC considers the Non-Executive Directors and Independent Directors to be of sufficient calibre and their views to be of sufficient weight such that no individual or small group of individuals dominates the Board's decision-making process.

Based on the foregoing, the Board is of the view that the practices adopted by the Company are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Meetings without the presence of Management

The Company co-ordinates informal meeting sessions for Independent Directors to meet without the presence of the Management to discuss matters related to the Group, including performance of the Management as well as to review any other matters that must be raised privately. Regular meetings are also held by the Management to brief the Independent Directors on the Group's financial performance, corporate governance initiatives, prospective deals and potential developments. Provision 2.5

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary and the Lead Independent Director will provide feedback to the Non-Executive Chairman after such meetings.

Chairman and Chief Executive Officer ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Datuk Lee Kok Khee was appointed as the Group CEO with effect from 10 November 2025. The roles and responsibilities of the Group CEO, including (*but not limited to*): Provision 3.1

- (i) overseeing, formulating and execution of strategic business directions for the affairs of the Group;
- (ii) overseeing the day-to-day business operations and business development of the property and investment holding segments of the Group; and
- (iii) undertaking such duties and exercising such powers in relation to the Group and its businesses as the Board shall from time to time properly assign to or vest in him in his capacity as Group CEO and all other matters incidental to the same.

Corporate GOVERNANCE REPORT (cont'd)

The Group's Chairman, Dato' Sri Adam Sani bin Abdullah, is a Non-Independent Non-Executive Director and was appointed as Chairman of the Board on 7 January 2011. He is consulted on the Group's strategic direction and formulation of policies as well as to ensure the smooth running of the Board. His responsibilities include:

- (i) leading the Board to ensure its effectiveness on all aspects of its role;
- (ii) setting the meeting agenda and ensuring that all Board meetings are convened and held as and when required, in particular strategic issues;
- (iii) ensuring that the Directors receive accurate, timely and clear information, and ensuring effective communication with key stakeholders, including shareholders and management from time to time;
- (iv) ensuring that proper procedures are set to comply and promote high standards with the Code; and
- (v) acting in the best interest of the Group and the shareholders.

The roles of the Chairman and the Group CEO are separate and distinct, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the Group CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. As such, the decision-making process of the Group would not be unnecessarily hindered. Provision 3.2

Lead Independent Director

In line with Provision 3.3 of the Code, the Board has appointed Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) as the Lead Independent Director to co-ordinate and lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on the Board's issues between the Independent Directors and the Non-Executive Chairman. He will also be available to Shareholders who have concerns in the event that normal interactions with the Non-Executive Chairman, Group CEO or Financial Controller have failed to resolve their concerns or where such channel of communication is considered inappropriate or inadequate. Provision 3.3

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Composition of NC

As at the date of this Report, the NC comprises the following members, the majority of whom, including the Chairman of the NC, are independent: Provision 1.4
Provision 4.2

1. Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)
(Chairman) (Lead Independent Director)
2. Dato' Sri Adam Sani bin Abdullah
(Member) (Non-Executive Chairman)
3. Quek Meng Teck, Derrick
(Member) (Independent Director)

Corporate GOVERNANCE REPORT (cont'd)

Terms of Reference of NC

The NC, which has written terms of reference, is responsible:

Provision 4.1

- (a) reviewing nominations for the appointment or re-appointment of the Directors, having regards to each Director's contribution, commitment, competencies and performance;
- (b) determining annually whether or not a director is independent, guided by the Code regarding independence;
- (c) deciding whether or not a director is able to and has been adequately carrying out his duties as a director;
- (d) proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness of the Board as a whole, and of each Board Committee, and the contribution of each Director to the effectiveness of the Board;
- (e) recommending to the Board the review of Board succession plans for the Company's Directors, in particular, for the Chairman of the Board, CEO and KMP;
- (f) reviewing and recommending to the Board on an annual basis, the Board structure, size and composition, taking into account, the balance between the Non-Executive Directors and Independent Directors to ensure that the Board as a whole possesses the right blend of relevant experiences and core competencies to effectively manage the Company;
- (g) reviewing training and professional development programs for the Board and its Directors; and
- (h) reviewing and ensure the effectiveness of the Board Diversity Policy.

Selection, Appointment, and Re-appointment of Directors

The NC is responsible for identifying and recommending new Director(s) to the Board to fill vacancies arising from resignation, retirement or any other reasons, after considering the benefits of all aspects of diversity, including but not limited to those described in the Board Diversity Policy, in order to maintain an appropriate range and balance of skills, experience and background on the Board.

Provision 4.3

In selecting potential new Director(s), the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, the balance of skills, experience, independence and knowledge of the Company on the Board and the diversity representation of the Board and seek to identify the competencies required to enable the Board to fulfil its responsibilities.

The potential candidate may be proposed by the existing directors, substantial shareholders, management or through third party referrals. The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Subsequent to the review of potential candidate's curriculum vitae, qualifications, experience and expertise, the recommendations for new Director(s) will be put to the Board for consideration.

In FY2026, the Board having considered, among other factors, the recommendation of the NC who has reviewed the credentials, qualifications and experience of Sebastian Lim, is satisfied that Sebastian Lim has the requisite experience, capabilities and knowledge to assume the duties and responsibilities as Non-Independent Non-Executive Director of the Company. After review, the Board has accepted the recommendation from the NC and approved the appointment of Sebastian Lim as Non-Independent Non-Executive Director of the Company with effect from 10 November 2025.

As the newly appointed Director without prior experience as a director of an issuer listed on the SGX-ST, Sebastian Lim completed the prescribed training on the roles and responsibilities of a director of a listed issuer and the mandated sustainability training within one year from his date of appointment. This was in compliance with Rule 210(5)(a) of the Listing Manual.

Process of re-appointment of Directors

Regulation 104 of the Constitution requires one-third of the Directors for the time being (or, if their number is not multiple of three, the number nearest to but not greater than one-third) shall retire from office at each AGM of the Company and all Directors to retire from office at least once every three years. It is also provided in the Regulation 108 of the Constitution that the Directors appointed by the Board during the course of the year must retire and submit themselves for re-election at the next AGM of the Company following their appointments.

The date of first appointment and last re-election for each of the Directors are set out in Provision 2.4 of this Report.

The NC, in considering the re-appointment of any Director, considers factors including but not limited to attendance record at meetings of the Board and Board Committees, participation at meetings, and the quality of contributions to the development of strategy, the degree of preparedness, industry and business knowledge and the experience each Director possesses which is crucial to the Group's business.

Each member of the NC shall abstain from voting on any resolutions in respect to his/her re-nomination as a Director.

At the forthcoming AGM, the following two (2) Directors are subject to retirement pursuant to the Constitution:

- (a) Regulation 104
Haslin binti Osman
- (b) Regulation 108
Sebastian Paul Lim Chin Foo

(collectively, known as "Retiring Directors")

The NC and the Board have evaluated the participation of the Retiring Directors at the Board and Board Committees' meetings and determined that they have been objective and independent minded in Board deliberations as well as their vast experience enables them to provide the Board and the Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making and able to discharge their duties with integrity and competency.

The NC has recommended to the Board that the Retiring Directors be nominated for re-election at the forthcoming AGM. After review, the Board has accepted the recommendation of the NC, and the Retiring Directors have also offered themselves for re-election at the forthcoming AGM.

Key information on Directors seeking re-election pursuant to Rule 720(6) of the Listing Manual are set out on pages 235 to 236 of this Annual Report.

Upon Shareholders' approval on the re-election of the Retiring Directors at the forthcoming AGM, Haslin binti Osman will remain as Independent Director, Chairman of RC and member of AC respectively while Sebastian Lim will remain as Non-Executive Non-Independent Director.

Corporate GOVERNANCE REPORT (cont'd)

NC to determine Director's Independence

The task of assessing the independence of the Directors is delegated to the NC. The NC reviews the independence of each Director annually, and as and when circumstances require. Provision 4.4

Each Independent Director is required to complete a Declaration to confirm his/her independence. The Declaration is drawn up based on the guidelines provided in the Code. Based on the Declaration submitted by each of the Independent Directors in office as at 28 February 2026, the NC is of the view that the Independent Directors are independent as defined in the Code and are able to exercise judgment on the corporate affairs of the Group independent of the Management for the financial year under review. Thereafter, the NC recommends its assessment to the Board.

Commitments of Directors sitting on multiple Board

Despite some of the Directors having other Board representations, the NC and the Board were satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company at all times and sufficient time and attention had been given to the affairs of the Company by the Directors. Meetings of the Board and Board Committees are scheduled in advance to ensure that the Directors have sufficient time to plan their schedules accordingly. The relevant Directors' multiple directorships are disclosed in the Directors' profile. Provision 4.5

In arriving at the aforesaid conclusion, the NC had taken into account, *inter alia*, the contributions by the Directors during the meetings and attendance at such meetings. Each Director has objectively discharged his/her duties and responsibilities at all times as a fiduciary in the interest of the Company.

The NC and the Board are of the view that the assessment of whether each Director is able to devote sufficient time to discharge his/her duties should not be restricted to only the number of board representations as it is for each Director to assess his/her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC, with the concurrence of the Board, has not determined the maximum number of listed Board representations which any Director may hold as it considers that the multiple board representations presently held by its directors do not impede their performance in carrying out their duties to the Company. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deemed fits.

There was no alternate Director being appointed to the Board in FY2026.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board and Board Committees have implemented a process for assessing the effectiveness of the Board as a whole and of each Board Committee respectively, as well as the contribution by the Chairman and each individual director to the Board. The Board had approved the objective performance criteria and process for such evaluations based on the NC's recommendation. The NC has adopted an assessment checklist, which includes various quantitative and qualitative evaluation factors, and disseminates the same to each Director for completion. Provision 5.1

The NC had conducted the Board's performance evaluation as a whole, together with the performance evaluation of the Board Committees and each Director individually as well as Chairman of the Board. The summary of the assessment results was presented at the NC Meeting for review and discussion.

Corporate GOVERNANCE REPORT (cont'd)

The performance criteria cover the following main areas:

- (i) Board Composition and Structure;
- (ii) Conduct of Meetings;
- (iii) Corporate Strategy and Planning;
- (iv) Risk Management and Internal Control;
- (v) Measuring and Monitoring Performance;
- (vi) Training and Recruitment;
- (vii) Compensation;
- (viii) Financial Reporting;
- (ix) Chairman of the Board;
- (x) Board Committees;
- (xi) Board Contribution;
- (xii) Knowledges and Duties; and
- (xiii) Communication skills with internal and external parties *i.e. Shareholders*.

The assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the quality of participation at meetings. The NC and the Board have relied on the above-mentioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors. Provision 5.2

The assessment is generally conducted by requesting each individual Director to complete evaluation questionnaires assessing the Board as a whole and the individual Directors as well as the Chairman. In addition, Directors who are also Board Committee members are required to complete the relevant evaluation questionnaire for each committee that they are a member of.

To ensure confidentiality, all duly completed evaluation forms by all Directors are submitted to the Company Secretary for collation. The summary of the performance evaluation results was presented first to the NC for review and discussion and then to the Board.

The NC has reviewed the overall performance of the Board, Board Committees and each Director and the Chairman for FY2026 and is satisfied that the Board as a whole and Board Committees have met the performance evaluation criteria and objectives and each Director and the Chairman has contributed effectively and demonstrated commitment to his respective role, including commitment of time for the Board and Board Committee meetings and any other duties in FY2026.

Any renewal or replacement of a director, when it occurs, does not necessarily reflect the Director's performance, but may be driven by the need to align the Board with the changing needs of the Group's business and operations.

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business. For the financial year under review, no external facilitator was engaged by the Company during the evaluation process.

Corporate GOVERNANCE REPORT (cont'd)

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition of RC

As at the date of this Report, the RC comprises the following members:

Provision 1.4
Provision 6.2

1. Haslin binti Osman
(Chairman) (Independent Director)
2. Dato' Sri Adam Sani bin Abdullah
(Member) (Non-Executive Chairman)
3. Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)
(Member) (Lead Independent Director)

All three members of the RC are Non-Executive Directors, and the majority of whom, including the Chairman of the RC, are independent.

Terms of Reference of RC

The RC is responsible for:

Provision 6.1

- (a) reviewing and submitting to the Board for endorsement, a framework of remuneration and the specific remuneration packages and terms of employment (where applicable) for the Directors and KMP;
- (b) reviewing and approving annually all aspect of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share based incentives and awards and benefits-in-kind, of the Directors and KMP; and
- (c) reviewing and submitting its recommendations for endorsement by the Board, any share options schemes, share award plans or long-term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.

In reviewing the service agreements of the KMP of the Company, the RC will review the Company's obligations, in particular, in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous.

Provision 6.3

RC's access to independent advice

No Director is involved in determining his or her own remuneration. The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services are borne by the Company.

Provision 6.4

During the financial year under review, the RC did not engage the service of an external remuneration consultant.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

Remuneration Structure of executive director and KMP

In determining the remuneration packages, the RC takes into account the industry norms, the Group's performance as well as the contribution and performance of each Director and KMP. The remuneration for the executive director and KMP comprises a fixed and variable component. The variable component is performance related and is linked to the Group's performance as well as the performance of the executive director and each individual KMP. Provision 7.1

As of the date of this Report, the Company does not have any executive director in office.

Remuneration Structure of Independent Directors and Non-Executive Directors

The Independent Directors and Non-Executive Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. Provision 7.2

The payment of Directors' fees is subject to approval of the Shareholders at each AGM. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. There were no share-based compensation schemes in place for the Independent Directors and Non-Executive Directors.

Retention of executive director and KMP

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from executive director and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The executive director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the executive director in the event of such breach of fiduciary duties. Provision 7.3

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company does not have any formal remuneration policy. Notwithstanding that, in determining the remuneration packages of the executive director and KMP, the RC has considered the compensation and benefits which commensurate with the level of the executive director and KMP's responsibilities and performance, as well as taking into consideration the Group's performance relative to the industry. The executive director is not entitled to annual fee or allowance nor is entitled to receive any meeting allowances for the Board and Board Committees' meetings he attends. Each of the Non-Executive Directors abstains from deliberating and voting on his own remuneration. Provision 8.1
Provision 8.3

Corporate GOVERNANCE REPORT (cont'd)

Breakdown of remuneration of the Directors

A breakdown of the level and mix of remuneration paid/payable to each Director with a breakdown in percentage for FY2026 are as follows:

Name of Director	Salary	Bonus	Directors' Fees	Meeting Allowance ⁽¹⁾	Others Emoluments ⁽²⁾	Total
	%	%	%	%	%	S\$
Dato' Sri Adam Sani bin Abdullah	–	–	94	6	–	40,000
Sebastian Paul Lim Chin Foo ⁽³⁾	–	–	96	4	–	12,167
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	–	–	85	15	–	41,000
Quek Meng Teck, Derrick	–	–	86	14	–	43,500
Haslin binti Osman	–	–	86	14	–	40,500
Chew Soo Lin	–	–	86	14	–	40,500
Lee Sze Siang ⁽⁴⁾	73	12	–	–	15	64,255

⁽¹⁾ Meeting allowance paid/payable to Non-Executive Directors based on actual attendance of meetings by the Directors.

⁽²⁾ Includes the employer's contributions to the defined contribution plan and social security schemes.

⁽³⁾ Appointed as Director of the Company with effect from 10 November 2025

⁽⁴⁾ Resigned as Director of the Company with effect from 10 November 2025

For FY2026, the Board decided to maintain the Directors' fees at the same fee structure as the previous financial year for Non-Executive Directors in the following manner:

	Fees per year (S\$)
Non-Executive Director	35,000
Additional fee for:	
Board Chairman	2,500
AC Chairman	2,500

Such fee will be paid to the Non-Executive Directors on a pro-rated basis according to each Non-Executive Director's tenure in office. Additionally, a meeting allowance will be accorded to Non-Executive Directors based on actual attendance of meetings by the Directors, forming part of the Directors' remuneration. The proposed Directors' remuneration for FY2026, totalling up to S\$217,667, comprises Directors' fee of S\$191,667 and meeting allowance of S\$26,000 will be presented to Shareholders for approval at the forthcoming AGM. For FY2025, the Directors' remuneration was S\$203,751 which had been approved by the Shareholders at the 2025 AGM.

Breakdown of remuneration of the Group CEO

The Group CEO's remuneration is fully borne by the Company's holding company, Atlan Holdings Bhd.

Corporate GOVERNANCE REPORT (cont'd)

Breakdown of remuneration of the KMP (who are not Directors or the CEO)

For FY2026, the Group had identified the following KMP (who are not Directors or the CEO of the Company) and the details of remuneration paid to the KMP of the Group (who are not Directors or the CEO of the Company) are set out below:

Remuneration Band and Name of KMP	Salary and Bonus	Other Benefits	Total
	%	%	%
Below S\$250,000			
Lee Sze Siang ⁽¹⁾	100	–	100
Khoo Chun Keong ⁽²⁾	100	–	100
Tneh Shu Hoay	100	–	100
Tan Chooi Foon	100	–	100
Tee Lay Yen	100	–	100

⁽¹⁾ Lee Sze Siang was appointed as Chief Operating Officer of the Company with effect from 10 November 2025.

⁽²⁾ Following the completion of the acquisition of United Industries Holdings Sdn. Bhd. on 31 October 2025, Khoo Chun Keong who has been the chief executive officer of United Industries Holdings Sdn. Bhd. since 1 September 2017, was appointed as KMP with effect from 10 November 2025.

The aggregate total remuneration paid to the KMP of the Group (who are not Directors or the CEO of the Company) for FY2026 amounted to approximately S\$439,147.

The Company does not have any employee share option scheme or any long-term incentive scheme in place during FY2026.

There were no terminations, retirement or post-employment benefits granted and paid to the Directors, CEO and KMP during FY2026.

The Board, has on review, is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of the KMP in the Annual Report in view of the confidentiality of remuneration matters and as the Board believes that such disclosure may be prejudicial to the Group's business interests given the competitive environment it is operating in.

The RC has reviewed the practice of the industry in weighing the advantages and disadvantages of such disclosure. As a Company with a small and tightly knit team, such disclosure may adversely affect the cohesion and spirit of teamwork prevailing amongst the employees of the Group and also retaining talent at the Board and top management level. Non-disclosures maintain confidentiality of remuneration, prevent poaching and also prevent internal comparison and maintain morale.

Notwithstanding that the Company did not disclose the exact remuneration of the KMP (who are not Director or CEO of the Company) in its Annual Report for FY2026, the Board is of the view that the Company has provided sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, which are consistent with the intent of Principle 8 of the Code.

Corporate GOVERNANCE REPORT (cont'd)

Remuneration of Employees who are Substantial Shareholder, or Immediate Family Members of Directors, the CEO and/or Substantial Shareholders of the Company

There are no employees who are the substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds S\$100,000 in the Group's employment during FY2026. Provision 8.2

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk Management System

The Board as a whole is responsible for the governance of risk. The Board will: Provision 9.1

- (i) ensure that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets;
- (ii) determine the nature and extent of the significant risks and the level of risk tolerance, which the Board is willing to take in achieving its strategic objectives and value creation;
- (iii) provide oversight in the design, implementation and monitoring of the risk management framework and system of internal controls (including financial, operational, compliance and information technology controls), including ensuring that Management puts in place action plans to mitigate the risks identified where possible;
- (iv) review the adequacy and effectiveness of the risk management and internal controls systems annually; and
- (v) set and instil the appropriate risk-aware culture throughout the Group for effective risk governance.

The Group's internal auditors conduct review of the effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls, and coordinate a risk assessment on a regular basis to ensure the adequacy thereof. The findings of the review conducted by the internal auditors together with the review undertaken by the external auditors as part of their statutory audit are presented to the AC. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal auditors and external auditors in this respect.

The AC is responsible for reviewing the audit reports from the internal auditors and external auditors and assists the Board in overseeing the Management in the formulation, updating and maintenance of an adequate and effective risk management framework and internal controls. The Board, with the assistance of the AC, is responsible for the governance of risk by ensuring the adequacy and effectiveness of the system of risk management and internal controls.

Corporate GOVERNANCE REPORT (cont'd)

In this regard, the AC is assisted by the Risk Management Team ("RMT"), as part of the Group's efforts to strengthen its risk management processes and policy framework.

The RMT is tasked to:

- (i) provide executive oversight and coordination of risk management efforts across the Group;
- (ii) conduct review of its risk management framework and processes to ensure their adequacy and effectiveness on regular basis;
- (iii) maintain a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks; and
- (iv) review and update the risk register regularly by the business and corporate heads in the Group.

The Board notes that the system of risk management and internal controls established by the Management provides reasonable, but not absolute assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision-making, human error, losses, fraud or other irregularities.

Assurance from Group CEO, Financial Controller and KMPs

The Board has received assurance from:

Provision 9.2

- (i) the Group CEO and the Financial Controller that the financial records have been properly maintained and the financial statements for FY2026 give a true and fair view in all material respects of the Company's operations and finances; and
- (ii) the Group CEO, the Financial Controller and the other KMPs who are responsible that the Group's risk management and internal control systems are adequate and operating effectively in all material respects given its current business environment.

Based on the risk management processes and policy framework, internal controls system established and maintained by the Group, reviews performed by the Management, and work performed by the external auditors and internal auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective in addressing the financial, operational, compliance and information technology controls of the Group for FY2026.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Composition of AC

As at the date of this Report, the AC comprises the following members:

Provision 1.4
Provision 10.2

1. Quek Meng Teck, Derrick
(Chairman) (Independent Director)
2. Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)
(Member) (Lead Independent Director)

Corporate GOVERNANCE REPORT (cont'd)

3. Haslin binti Osman
(Member) (Independent Director)
4. Chew Soo Lin
(Member) (Non-Independent Non-Executive Director)

All four members of the AC are Non-Executive Directors, of whom three of them, including the AC Chairman are Independent Directors. At least two members, including the AC Chairman, have recent and relevant accounting and/or related financial management expertise and/or experience. The AC members have had many years of experience in accounting, business and financial management. The Board considers that the AC members are appropriately qualified to discharge the responsibilities of the AC.

Terms of Reference of AC

The AC assists the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems. Provision 10.1

The AC has written terms of reference, setting out their duties and responsibilities, which include the following:

- (i) to review with the external auditors:
 - (a) the audit plan, including the nature and scope of the audit before the audit commences;
 - (b) their evaluation of the system of internal accounting controls;
 - (c) their audit report; and
 - (d) their management letters and the Management's response;
- (ii) to discuss with the external auditors any problems or concerns arising from their interim and final audits, and any other matters which the external auditors may wish to discuss;
- (iii) to ensure co-ordination where more than one audit firm is involved;
- (iv) to review and assess the adequacy and effectiveness of the internal controls (including financial, operational, compliance, information technology controls and risk management) systems established by Management to identify, assess, manage, and disclose financial and non-financial risks;
- (v) to review and ensure that assurance has been received from the Group CEO and Financial Controller in relation to the financial records and financial statements of the Group;

Corporate GOVERNANCE REPORT (cont'd)

- (vi) to review and ensure that assurance has been received from the Group CEO and Financial Controller in relation to the financial records and financial statements of the Group;
- (vii) to review the internal audit programme and ensure co-ordination between the internal auditors and external auditors and the Management;
- (viii) to review the quarterly, half-yearly and full year financial statements of the Company and of the Group, including announcements relating thereto, to Shareholders and the SGX-ST, and thereafter to submit them to the Board for approval;
- (ix) to review interested person transactions (as defined in Chapter 9 of the Listing Manual), potential conflict of interest and report its findings to the Board;
- (x) to undertake such other reviews and projects as may be requested by the Board or as the Committees may consider appropriate; and
- (xi) to undertake such other functions and duties as may be required by law or by the Listing Manual, as amended from time to time.

Apart from the duties listed above, the AC is given the task of commissioning investigations into matters where there is 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 Company's operating results or financial position, and to review its findings.

The AC has full access to and the co-operation of Management and the full discretion to invite any Director or Executive Officer to attend its meetings and has reasonable resources to enable it to discharge its functions properly. The external auditors have unrestricted access to the AC.

The AC recommends to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors and approving the remuneration of the external auditors. The AC had evaluated the performance of the external auditors based on the key indicators of audit quality and guidance, where relevant, as set out in the Guidance to Audit Committees on ACRA Audit Quality Indicators Disclosure Framework relating to the audit firms' level. Accordingly, the AC has recommended to the Board the nomination of Messrs Ernst & Young LLP for reappointment as external auditors of the Company at the forthcoming AGM. The Company confirms that Rule 712, Rule 715 and Rule 716 of the Listing Manual in relation to the appointment of auditing firms for the Group have been complied with. The Board and the AC are satisfied that the appointment of different auditing firm for its Singapore-incorporated subsidiary would not compromise the standard and effectiveness of the audit of the Group.

Relationship with External Auditors

None of the members of the AC was former partner or director of the Company's external auditors within a period of two years commencing on the date of their ceasing to be a partner or director of the external auditors and none of the AC members hold any financial interest in the external auditors. Provision 10.3

Corporate GOVERNANCE REPORT (cont'd)

The annual audit plan is established in consultation with, but independent of the Management and tabled to the AC for approval. The AC has reviewed and approved the audit plan. Significant findings, recommendations and status of remediation are circulated to the AC, the Board and relevant Management.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. The external auditors will work with the Management to ensure that the Group complies with the new accounting standards which have a direct impact on financial statements, if applicable.

In the review of the financial statements for FY2026, the AC had discussed with the Management and the external auditors on changes to accounting standards and significant issues and assumptions that impact the financial statements. The most significant matters had also been included in the Independent Auditor's Report to the members of the Company under "Key Audit Matters". Following the review, the AC is satisfied that those matters as follows had been properly dealt with. The Board had approved the financial statements.

Key Audit Matters	Approach and measurements
Impairment assessment of Property, plant and equipment ("PPE") and right-of-use assets ("ROUA")	The AC reviewed and is satisfied with the reasonableness of management's judgements and assumptions used in the value in use calculations to determine the recoverable amount of the cash generating units ("CGU"). The recoverable amount was determined using probability-based cash flow projection. The key estimates included revenue growth rate under various recovery scenarios, budgeted gross margin, budgeted operating costs and discount rate. AC is satisfied with the carrying value of the PPE and ROUA. The impairment review was also an area of focus for external auditor. The external auditor has included this as key audit matter in its auditor report for FY2026. Please refer to the page 144 of this Annual Report.
Impairment assessment of goodwill and investments in subsidiaries	The AC reviewed and is satisfied with the reasonableness of management's judgements and assumptions used in the value in use calculations to determine the recoverable amount of the CGU. The recoverable amount was determined using probability-based cash flow projection. The key estimates included revenue growth rate under various recovery scenarios, budgeted gross margin, budgeted operating costs and discount rate and long-term growth rate. AC is satisfied with the carrying value of the goodwill and investment in subsidiaries. The impairment review was also an area of focus for external auditor. The external auditor has included this as key audit matter in its auditor report for FY2026. Please refer to the pages 144 to 145 of this Annual Report.

Corporate GOVERNANCE REPORT (cont'd)

The AC has met separately with the external auditors and internal auditors without the presence of the Management to discuss their findings and provide opportunities for the external auditors and internal auditors to bring to its attention any significant matters encountered during the course of their audit in FY2026. Provision 10.5

The AC has conducted a review of all non-audit services provided by the external auditors and was satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors. In FY2026, the aggregate amount of fees paid or payable to the Company's external auditors, Messrs Ernst & Young LLP, was S\$98,600, comprising approximately S\$94,000 of audit fees and S\$4,600 of non-audit fees; whereas the aggregate amount of audit fees paid or payable to other auditors of the Group was S\$173,000 with no non-audit fees paid or payable to the other auditors of the Group. The breakdown is also set out in Note 7 of the Consolidated Audited Financial Statements of the Group for FY2026.

Whistleblowing Policy

The Group has implemented a whistleblowing policy ("WB Policy") whereby accessible channels are provided for employees to raise concerns about possible irregularities or malpractice within the Group to the Chairman of the AC in matters of financial reporting or other matters which they may become aware and if such event occurs, to ensure that: Provision 10.1

- (i) independent investigations are carried out in an appropriate and timely manner;
- (ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- (iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistleblowing in good faith and without malice.

The AC is responsible for oversight and monitoring of the WB Policy which is designed to provide guidance to the staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to their immediate superior or the AC Chairman.

Details of the WB Policy, together with the dedicated whistleblowing communication channels and procedures have been made available to all employees and disseminated to new employees as part of their orientation training. It has a well-defined process which ensures that the identity of the whistleblower is kept confidential, independent investigation of issues/concerns raised and arrangements in place for the independent investigation of such matters for appropriate follow-up actions to be taken and provides assurance that whistleblower will be protected from reprisal within the limits of the law or victimization for whistleblowing in good faith. Also, the AC reviews all the whistleblowing complaints (if any) at its quarterly AC meetings to ensure appropriate action is taken.

If there is any amendment or modification of the WB Policy regardless in whole or in part, at any time without assigning any reason whatsoever, it is subject to the approval of the Board of Directors.

During FY2026, no whistle-blowing reports were received and reported to the AC Chairman via the channel set out in the WB Policy.

Corporate GOVERNANCE REPORT (cont'd)

Internal Audit Function

The Group has an Internal Audit Department which reports directly to the Chairman of the AC. The Internal Audit Department has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company and the Group. The AC also decides on the appointment, termination and remuneration of the head of the internal audit function. Provision 10.4

In FY2026, the Group's internal audit team was headed by Muhamad Anwar Mustaffa, an Associate Member of the Institute of Internal Auditors Malaysia and Certified Practising Accountant Australia. He has more than fifteen years of experience in the audit field, particularly ten years in internal audit. The Internal Audit Department carried out its function according to its Group Internal Audit Charter, which was drawn up according to the Standards for the Professional Practice of Internal Auditing set out by The Institute of Internal Auditors. None of the internal audit personnel had any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

The internal auditors had submitted reports to AC on their work conducted for FY2026. Management is actively committed to ensuring timely and proper implementation of improvement measures through close and continuous monitoring. Follow-up reviews will also be carried out by the internal auditors. Management provides the necessary co-operations and support to enable the internal auditors to effectively perform its functions. Internal auditors plan their internal work schedules in consultation with External Auditors when necessary and independent of management. The audit plan is examined and submitted to the AC for approval prior to the commencement of the internal audit work. In addition, the internal auditors may be involved in an ad-hoc assignment initiated by the Management which requires the input of internal auditors in specific areas of concerns from time to time, if any.

The AC reviews the adequacy and effectiveness of the internal audit function to ensure that internal audits function is conducted effectively, and that the Management provides the necessary co-operation to enable the internal auditors to perform the function. After having reviewed the internal audit reports and remedial actions implemented by Management, the AC is satisfied that the internal audit function is independent, effective, adequately resourced and is staffed with suitably qualified and experienced professionals with the relevant experience.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of general meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision of Information to Shareholders

The Board is mindful of its obligation to release timely and fair disclosure of material information and does not practise selective disclosure. In line with the continuous obligations of the Company under the Listing Manual and the Companies Act, the Board's policy is that all Shareholders should equally and on a timely basis be informed of all material developments that impact the Group via SGXNet on an immediate basis. The Group recognises that the release of timely and relevant information is central to good corporate governance and enables Shareholders to make informed decisions in respect of their investments in the Company and will ensure that all information disclosed is as descriptive, detailed and forthcoming as possible. Provision 11.1

Corporate GOVERNANCE REPORT (cont'd)

Accountability to Shareholders is demonstrated through the presentation of the Group's quarterly and full year financial statements, results announcements and all announcements on the Group's business and operations.

All Shareholders are entitled to attend the Company's general meetings and are encouraged to attend and participate in the general meetings. Shareholders are also briefed by the Company or respective professional bodies on the rules, including voting procedures that govern general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. A member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act) is allowed to appoint more than two proxies to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund ("CPF") Board which purchases shares on behalf of the CPF investors.

Notice of the general meetings is circulated to Shareholders, together with annual reports, explanatory notes or a circular on items of special businesses (if necessary), providing at least 14 days' notice (for ordinary resolutions) or at least 21 days' notice (for special resolutions) in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) by electronic means via publication on SGXNet and the Company's corporate website at <https://ir.dfi.com.sg/>. The notice of general meetings will also be published in the newspapers within the mandatory period. The AGMs are held within four months after the close of the financial year.

The Company will be holding its AGM in respect of FY2026 physically ("2026 AGM") on 25 June 2026. The Shareholders are invited to attend the Company's AGM 2026 in person. The notice of 2026 AGM, proxy form, Annual Report 2026 and its Appendix in relation to the Proposed Renewal of the Share Purchase Mandate ("Appendix"), will be made available to the Shareholders via electronic means via the publication on SGXNet and the Company's corporate website at <https://ir.dfi.com.sg/>. The Shareholders will also receive a physical copy of the Notice of 2026 AGM, proxy form and request form for physical copy of Annual Report 2026 and Appendix via post. The Shareholders who wish to receive a physical copy of Annual Report 2026 and Appendix may submit the request form to the Company within the prescribed timeline in the request form.

Separate resolutions at General Meetings

The Company adheres to the requirements of the Rule 730A of the Listing Manual and the Code whereby all resolutions at the Company's general meetings are put to vote by poll. The detailed results of each resolution will be announced via SGXNet after the general meetings on the same day.

Provision 11.2

Each item of special business resolutions included in the notice of the general meetings will be accompanied by explanation of the effects of the proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. There is no bundling of the resolutions as they are not interdependent and linked to each other.

No resolutions were "bundled" and tabled to the Shareholders of the Company at 2025 AGM, Extraordinary General Meeting ("EGM") held on 19 March 2025, EGM held on 28 October 2025 and 2026 AGM for approval.

Corporate GOVERNANCE REPORT (cont'd)

Attendees at General Meetings

All Shareholders are entitled to attend general meetings of the Company and are given the opportunity to raise questions to the Board, participate effectively and to vote accordingly. Provision 11.3

The Directors, in particular, the respective Chairman of the Board Committees and the Management are generally in attendance at the AGM and other general meetings to assist the Company in addressing any relevant queries by the Shareholders. The Company's external auditors are also present at the AGM to address Shareholders' queries about the conduct of the audit and the preparation and content of the auditor's report.

During FY2026, the Company had convened the following general meetings and the attendance records of the Directors are set out in the table below:

Name of Director	No. of Meetings attended / No. of Meetings held	
	2025 AGM	EGM held on 19 March 2025 and 28 October 2025
Dato' Sri Adam Sani bin Abdullah	–	–
Sebastian Paul Lim Chin Foo ⁽¹⁾	Not applicable	Not applicable
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	1/1	2/2
Quek Meng Teck, Derrick	1/1	2/2
Haslin binti Osman	1/1	2/2
Chew Soo Lin	1/1	1/2
Lee Sze Siang ⁽²⁾	–	1/2

⁽¹⁾ Appointed as Director of the Company with effect from 10 November 2025

⁽²⁾ Resigned as Director of the Company with effect from 10 November 2025

Voting in Absentia

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the Shareholders' identities through the web are not compromised. Provision 11.4

Corporate GOVERNANCE REPORT (cont'd)

Minutes of General Meetings

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of Shareholders on SGXNet and/or its corporate website as soon as practicable and such minutes shall record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting, and responses from the Board and management. The minutes of the general meetings which include substantial comments or queries from Shareholders and responses from the Board and Management, will be published on SGXNet and the Company's corporate website at <https://ir.dfi.com.sg/> within one month after the general meetings.

Provision 11.5

For general meetings convened in FY2026, the Company has published the minutes for respective meetings on the date as summarised, within one month after the general meetings, via SGXNet and its corporate website at <https://ir.dfi.com.sg/>:

General Meetings	Date of publication of minutes
EGM held on 19 March 2025	16 April 2025
2025 AGM	15 July 2025
EGM held on 28 October 2025	26 November 2025

Dividend Policy Guideline

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

Provision 11.6

Nonetheless, the Company had declared one (1) interim dividend during FY2026, which the details is summarised as follows:

Date of declaration	Type of dividend	Amount of dividend per ordinary share	Date of dividend payment
9 July 2025	First one-tier tax exempt interim dividend	S\$0.00165	6 August 2025

Engagement with shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with Shareholders

The Board places great emphasis on investor relations. The Company strives to maintain a high standard of transparency and promote better investor communication. The Company believes that a high standard of disclosure is essential to raise the level of corporate governance. Interim and full year results and press releases (if any) are published on SGXNet. All information on the Company's new initiatives is first disseminated via SGXNet followed by a press release, where appropriate.

Provision 12.1

In line with the continuous disclosure obligations under the requirements of the Listing Manual and requirements of the Act, the Board informs the Shareholders promptly of all major developments that may have a material impact on the Group.

The Company's general meetings are the principal forum for dialogues with its Shareholders where the Board and Management address Shareholders' concerns, if any. The Company may also solicit views or inputs of the Shareholders during general meetings.

Corporate GOVERNANCE REPORT (cont'd)

Investor Relations Policy

The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to Shareholders via the SGXNet and press where appropriate, in compliance with the requirements set out in the Listing Manual, with particular reference to the Corporate Disclosure Policy set out therein. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

Provision 12.2

Provision 12.3

Communication to Shareholders by the Company is made through:

- (i) annual reports that are prepared and circulated to all Shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act and Singapore Financial Reporting Standards;
- (ii) quarterly announcements containing a summary of the financial information and affairs of the Group for that period;
- (iii) notices of explanatory memoranda for AGMs and extraordinary general meetings; and
- (iv) the Company's corporate website at <https://www.dfi.com.sg> at which Shareholders can access financial information, corporate announcements, press releases, annual reports and the profile of the Group.

Apart from the mandatory announcements through SGX-ST, the Company also established a dedicated section on "*Investor Relations Enquiries*" at its corporate website at <https://www.dfi.com.sg> to further enhance communication with the investors or other stakeholders.

Price sensitive information is first publicly released through the SGXNet before the Company meets with any investors or analysts.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the general meetings.

(E) MANAGING STAKEHOLDERS' RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interest of the company are served.

The Company has its materiality assessment process to identify their key stakeholders who have direct influence on the business and operations but not limited to customers, employees, board of directors, government, investors, suppliers and financiers via the engagement platforms, areas of concern and its frequency announced to SGX-ST via its Sustainability Report 2025 which was published together with its Annual Report 2025 on 5 June 2025. The Sustainability Report for FY2026 is released together with this Annual Report which detailed information is set out in this Annual Report.

Provision 13.1

Provision 13.2

Corporate GOVERNANCE REPORT (cont'd)

In FY2026, the Group has reported its sustainability performance in accordance with the SGX Sustainability Report Guide, with reference to the Global Reporting Initiative reporting framework and has aligned its climate-related disclosures with the Task Force on Climate-related Financial Disclosures in the four key areas of governance, strategy, risk management and metrics and target. It has also mapped the material environmental, social and governance topics to the United Nations Sustainable Development Goals and will continually review the Group's sustainable business strategy to improve the stewardship and reporting format. Detailed information is set out in this Annual Report.

Corporate Website

The Company maintains a corporate website which is updated regularly with the information released on SGXNet and business developments of the Group to communicate and engage with the stakeholders. The stakeholder can assess the relevant materials such as financial information, corporate announcements, press releases, annual reports, sustainability reports and the profile of the Group via the corporate website at <https://ir.dfi.com.sg/>.

Provision 13.3

(F) DEALINGS IN COMPANY'S SECURITIES

The Company has adopted and implemented policies in line with the SGX-ST's best practices in relation to dealing in the securities of the Company. The Company issues circular to its officers (includes directors and employees) to remind them that they are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full-year financial results, and ending on the date of the announcement of the relevant results. Officers of the Company are also discouraged from dealing in the Company's securities on short-term considerations and in circumstances where they are in possession of unpublished price-sensitive information of the Group. They are also advised to be mindful of the laws on insider-trading at all times.

In addition, the Company will not undertake any purchase or acquisition of its own shares pursuant to its share buyback mandate at any time after a price sensitive development has occurred or has been the subject of a decision, until the price sensitive information has been publicly announced.

Corporate GOVERNANCE REPORT (cont'd)

(G) INTERESTED PERSON TRANSACTIONS

The Company has established procedures for recording and reporting interested person transactions in a timely manner to the AC and such transactions are conducted at arm's length basis and will not be prejudicial to the interests of the Company and its minority Shareholders.

The aggregate value of the interested person transactions entered into by the Group during the financial year was as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RM'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (RM'000)
Atlan Holdings Bhd	Immediate holding company	2,500	—
		175,000 ⁽¹⁾	

⁽¹⁾ On 31 October 2025, the Company completed the acquisition of 100% of the issued and paid-up share capital of United Industries Holdings Sdn. Bhd. from Atlan Holdings Bhd for a total consideration of RM175,000,000. Further details are available in the Company's announcements dated 21 July 2025 and 31 October 2025, as well as in the circular to shareholders dated 29 September 2025.

The Company does not have any existing general mandate from the Shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual.

(H) MATERIAL CONTRACTS

Other than those disclosed elsewhere in the financial statements, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director, or controlling Shareholders, which remained subsisting as at the end of FY2026 or, if not subsisting, were entered into since the end of the previous financial year ended 28 February 2025.

(I) USE OF PROCEEDS FROM PLACEMENT EXERCISES

The Company had, on 7 March 2016, 24 March 2016, 11 August 2016, 26 August 2016, and 23 March 2017 completed five placement exercises of (i) 39 million new ordinary shares, (ii) 5.5 million treasury shares, (iii) 20 million new ordinary shares, (iv) 30 million new ordinary shares and (v) 34.15 million new ordinary shares in the capital of the Company respectively (total 128.65 million new ordinary shares), raising a total net proceeds of S\$43.6 million ("Placement Exercises").

As at the date of this Report, the Company has fully utilised the net proceeds from the Placement Exercises as detailed below:-

	90% for general corporate requirements including but not limited to acquisition and funding of potential business opportunities (S\$'000)	10% for general working capital including but not limited to renovation and upgrading of business outlets (S\$'000)	Net total (S\$'000)
Description			
Net Proceeds	39,240	4,360	43,600
Net Proceeds utilised as announced on 8 August 2018 ^(a) , 9 November 2018 ^(b) , 5 December 2018 ^(c) , 7 December 2021 ^{(d)(e)} and 31 October 2025 ^(f)	39,240	4,360	43,600
Balance of Net Proceeds as at the date of this Report	–	–	–

- (a) US\$2.80 million (or approximately S\$3.82 million) for the subscription for 2,800,000 new ordinary shares in Brand Connect Holding Pte. Ltd. announced on 8 August 2018;
- (b) US\$850,000 (or approximately S\$1.16 million) for the purchase of inventories and payment of professional fees in relation to the acquisition of Brand Connect Holdings Pte. Ltd. Group announced on 9 November 2018;
- (c) US\$800,000 (or approximately S\$1.10 million) for the purchase of inventories for Brand Connect Holding Pte. Ltd. Group announced on 5 December 2018;
- (d) US\$10.93 million (or approximately S\$14.91 million) for the acquisition of 31,494,575 ordinary shares in DFZ Capital Sdn Bhd announced on 7 December 2021; and
- (e) US\$1.53 million (or approximately S\$2.09 million) for the payment of trade payables due to Heinemann Asia Pacific Pte. Ltd. announced on 7 December 2021.
- (f) Approximately S\$20,522,661 (equivalent to approximately RM66.937 million, based on the exchange rate of S\$1.00:RM3.2616), comprising approximately S\$20,510,661 (equivalent to approximately RM66.898 million, based on the same exchange rate) for the acquisition of the Sale Shares and approximately S\$12,000 (equivalent to approximately RM39,139, based on the same exchange rate) towards payment for professional fees in relation to the acquisition of United Industries Holdings Sdn. Bhd. Group announced on 31 October 2025.

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Directors' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Duty Free International Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 28 February 2026.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 28 February 2026 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the Company has the ability to receive dividends from its operating subsidiaries as and when the need arises to meet their financial obligations as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Dato' Sri Adam Sani bin Abdullah	Non-Executive Chairman
Sebastian Paul Lim Chin Foo	Non-independent Non- Executive Director
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
Chew Soo Lin	Non-Independent Director

Arrangements to enable directors to acquire shares or debentures

Except as described below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' STATEMENT (cont'd)

Directors' interests in shares, warrants or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares, warrants or debentures of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest			Deemed interest		
	As at 01.03.2025	As at 28.02.2026	As at 21.03.2026	As at 01.03.2025	As at 28.02.2026	As at 21.03.2026
Ordinary shares of the Company						
Dato' Sri Adam Sani bin Abdullah	–	–	–	905,028,113 ⁽¹⁾	905,028,113 ⁽¹⁾	905,028,113 ⁽¹⁾
Chew Soo Lin	3,179,399	3,605,499	3,694,999	133,000 ⁽²⁾	–	–
Quek Meng Teck, Derrick	320,000	651,000	651,000	–	–	–

Ordinary shares in the immediate holding company

Atlan Holdings Bhd

Dato' Sri Adam Sani bin Abdullah	–	–	–	135,819,214 ⁽³⁾	127,819,214 ⁽³⁾	127,819,214 ⁽³⁾
Chew Soo Lin	3,842,966	3,842,966	3,842,966	–	–	–

⁽¹⁾ Dato' Sri Adam Sani Bin Abdullah is deemed to have interest in the 905,028,113 shares held by Atlan Holdings Bhd through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust by virtue of himself as the settlor, initial Protector and a primary beneficiary of The Lim Family Trust.

⁽²⁾ Chew Soo Lin is deemed interested in the 133,000 shares held by his late mother, Chong Sai Noi @ Chong Mew Leng.

⁽³⁾ Deemed interested held through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of himself being the Settlor, initial Protector and a primary beneficiary of Trust.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, warrants or debentures of the Company or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or any related corporation in the Group.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any related corporation in the Group.

There were no unissued shares of the Company or any related corporation in the Group under option at the end of the financial year.

Audit Committee

The Audit Committee (the “AC”) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act 1967, including the following:

- (a) Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors’ evaluation of the adequacy of the Company’s system of internal accounting controls and the assistance given by the Group and the Company’s management to the external and internal auditors;
- (b) Reviewed the quarterly and annual financial statements and the auditors’ report on the annual financial statements of the Group and the Company before their submission to the Board of Directors (the “Board”);
- (c) Reviewed effectiveness of the Group and the Company’s material internal controls, including financial, operational, information technology and compliance controls and risk management via reviews carried out by the internal auditors;
- (d) Met with the external auditors, internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (e) Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- (f) Reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- (g) Reviewed the nature and extent of non-audit services provided by the external auditors;
- (h) Recommended to the Board the external auditors to be nominated, approved the compensation of the external auditors and reviewed the scope and results of the audit;
- (i) Reported actions and minutes of the AC to the Board with such recommendations as the AC considered appropriate; and
- (j) Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited’s Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened six meetings during the financial year. The AC has also met with internal auditors and external auditors, without the presence of the Company’s management, at least once during the financial year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Directors' **STATEMENT** (cont'd)

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board:

Dato' Sri Adam Sani bin Abdullah
Director

Jeneral Tan Sri Dato' Sri Abdullah
bin Ahmad @ Dollah bin Amad (B)
Director

Singapore
22 May 2026

Independent AUDITORS' REPORT

For the financial year ended 28 February 2026
To the Members of Duty Free International Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Duty Free International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 28 February 2026, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 28 February 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent **AUDITORS' REPORT** (cont'd)

For the financial year ended 28 February 2026
To the Members of Duty Free International Limited

Key Audit Matters (cont'd)

Impairment assessment of property, plant and equipment ("PPE") and right-of-use assets ("ROUA")

As at 28 February 2026, the net carrying amount of the Group's PPE and ROUA is RM123.7 million and RM25.3 million, which represents 65% and 13% of the non-current assets respectively. During the year ended 28 February 2026, management recognised an impairment loss of RM322,000 on ROUA based on management's forecasted cashflows for the significant cash-generating units ("CGU") of the Group. Management's impairment assessment of these assets remains significant to the audit due to magnitude of the amount and it involved significant management judgment. Hence, we consider this to be a key audit matter.

For outlets with indicators of impairment, the recoverable amounts of the PPE and ROUA have been determined based on value in use calculations using probability-based cash flow projections approved by management. Our audit procedures included, amongst others, reviewing management's identification of impairment indicators. In evaluating management's estimation of the recoverable amount, we tested management's key assumptions underlying the value-in-use calculation. The key assumptions include the revenues growth rates for the probability-based cash flow projections, budgeted gross margin, budgeted operating costs and discount rates.

We assessed the reasonableness of the revenue growth rates and budgeted gross margin, taking into consideration past performance and recovery growth in the current year, by comparing them to industry information on market outlook and expected recovery scenarios. We compared the budgeted operating costs to historical results taking into account the cost optimization measures undertaken by the Group. Where applicable, we also compared the assumptions to financial results available subsequent to year end. We involved our internal valuation specialist to assess the reasonableness of the discount rates by checking to comparable companies in the same industry. We also reviewed the adequacy of the disclosures in Note 11 and Note 28 to the financial statements.

Impairment assessment of goodwill and investment in subsidiaries

The carrying amount of goodwill is RM5.8 million, net of accumulated impairment losses of RM23.0 million as at 28 February 2026. During the year ended 28 February 2026, management did not recognise any further impairment on goodwill. Investment in subsidiaries amounted to RM359.6 million, net of accumulated impairment losses of RM724.6 million as at 28 February 2026. During the year ended 28 February 2026, management recognised net impairment losses on investment in subsidiaries of RM45.2 million based on their expected recoverable values. We considered the audit of management's impairment assessment of these assets to be a key audit matter because the assessment process involved significant management judgment.

Independent **AUDITORS' REPORT** (cont'd)

For the financial year ended 28 February 2026
To the Members of Duty Free International Limited

Key Audit Matters (cont'd)

Impairment assessment of goodwill and investment in subsidiaries (cont'd)

For investment in subsidiaries with indicators of impairment, the recoverable amounts of the cost of investment in subsidiaries have been determined based on the higher of the value-in-use and fair value less costs of disposal calculations. For the impairment assessment using the value-in-use model, the calculation used the probability-based cash flow projections approved by management. For the calculations, we have performed similar procedures as described in key audit matter on Impairment assessment of PPE and ROUA. Additionally, we also involved our internal valuation specialist to assess the reasonableness of the long-term growth rate by comparing it to external data such as economic growth and inflation rate. For impairment assessment using the fair value less costs of disposal model, the calculations is derived using valuation methods which include adjusted net assets of the subsidiary. Our audit procedures includes reviewing the fair value adjustments made to the net assets of the subsidiary.

For the assumption on renewal of the Group's duty free license agreement, we inquired with senior management on their historical renewal experience and their assessment of the Group's ability to renew the agreement.

We also reviewed the adequacy of the disclosures in Note 14 and Note 15 to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent **AUDITORS' REPORT** (cont'd)

For the financial year ended 28 February 2026
To the Members of Duty Free International Limited

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent **AUDITORS' REPORT** (cont'd)

For the financial year ended 28 February 2026
To the Members of Duty Free International Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hah Yanying.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
22 May 2026

Consolidated INCOME STATEMENT

For the financial year ended 28 February 2026

		Group	
	Note	2026 RM'000	2025 RM'000
Revenue	4	212,602	155,100
Changes in inventories		(13,868)	(12,504)
Inventories purchased and materials consumed		(121,416)	(93,458)
Other income	5	31,849	10,911
Compensation from Compulsory Land Acquisition	5	–	69,610
Employee benefits expenses	6	(24,502)	(19,866)
Depreciation of property, plant and equipment	11	(5,356)	(2,944)
Depreciation of right-of-use assets	28	(8,124)	(8,572)
Depreciation of investment properties	12	(13)	–
Impairment loss on property, plant and equipment	11	–	(109)
Impairment loss on right-of-use assets	28	(322)	(219)
Rental of premises		(1,318)	(404)
Commission expenses		(219)	(244)
Professional fees		(3,531)	(2,584)
Utilities and maintenance expenses		(3,624)	(1,939)
Realised foreign exchange gain/(loss)		1,226	(6,049)
Unrealised foreign exchange loss		(2,250)	(179)
Other expenses	7	(19,457)	(22,188)
Finance costs	8	(6,255)	(6,824)
Profit before tax		35,422	57,538
Income tax expense	9	(13,195)	(3,865)
Profit for the year		22,227	53,673
Attributable to:			
Owners of the Company		21,824	53,612
Non-controlling interests		403	61
		22,227	53,673
Earnings per share attributable to owners of the Company (sen per share)			
Basic	10	1.82	4.47
Diluted	10	1.82	4.47

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

Consolidated Statement of **COMPREHENSIVE INCOME**

For the financial year ended 28 February 2026

	Group	
	2026	2025
	RM'000	RM'000
Profit for the year	22,227	53,673
Other comprehensive income:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	12	(147)
Total comprehensive income for the year	22,239	53,526
Attributable to:		
Owners of the Company	21,836	53,465
Non-controlling interests	403	61
Total comprehensive income for the year	22,239	53,526

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

Statements of FINANCIAL POSITION

As at 28 February 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	123,696	47,319	–	–
Investment properties	12	2,121	–	–	–
Goodwill	14	5,818	5,818	–	–
Investments in subsidiaries	15	–	–	359,584	229,295
Investment in structured note	16	12,560	–	12,560	–
Development rights	17	18,517	13,500	–	–
Deferred tax assets	19	1,159	7,637	–	–
Right-of-use assets	28	25,269	98,672	–	–
Other assets		136	–	–	–
		189,276	172,946	372,144	229,295
Current assets					
Biological assets	13	209	213	–	–
Trade and other receivables	18	17,403	26,035	169	1,434
Prepayments	20	1,589	7,063	–	–
Inventories	21	78,763	65,074	–	–
Capitalised contract cost	4	479	–	–	–
Cash and bank balances	22	107,370	230,357	15,775	103,401
Tax recoverable		1,177	2,981	8	–
Derivative assets	27	–	14	–	–
		206,990	331,737	15,952	104,835
Total assets		396,266	504,683	388,096	334,130
Equity and liabilities					
Current liabilities					
Trade and other payables	24	57,124	22,551	58,494	1,069
Borrowings	23	6,416	–	–	–
Lease liabilities	28	1,467	6,625	–	–
Employee benefits	25	655	–	–	–
Income tax payable		963	837	–	311
Derivative liabilities	27	–	1	–	–
		66,625	30,014	58,494	1,380
Net current assets/(liabilities)		140,365	301,723	(42,542)	103,455

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

Statements of FINANCIAL POSITION (cont'd)

As at 28 February 2026

		Group		Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-current liabilities					
Borrowings	23	7,064	–	–	–
Deferred tax liabilities	19	11,195	5,851	2,430	2,026
Employee benefits	25	1,116	–	–	–
Lease liabilities	28	4,142	93,532	–	–
Provision for restoration costs	26	–	704	–	–
		23,517	100,087	2,430	2,026
Total liabilities		90,142	130,101	60,924	3,406
Net assets		306,124	374,582	327,172	330,724
Equity attributable to owners of the Company					
Share capital	29	487,903	487,903	978,725	978,725
Treasury shares	29(c)	(22,017)	(22,017)	(22,017)	(22,017)
Other reserves	29(a)	(261,647)	(176,451)	661	661
Retained earnings/(accumulated losses)		101,327	84,992	(630,197)	(626,645)
		305,566	374,427	327,172	330,724
Non-controlling interests		558	155	–	–
Total equity		306,124	374,582	327,172	330,724
Total equity and liabilities		396,266	504,683	388,096	334,130

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

Statements of CHANGES IN EQUITY

For the financial year ended 28 February 2026

	Attributable to owners of the Company											
				Net premium paid/ received on					Total equity attributable to owners			
	Ordinary shares	Treasury shares	Total other reserves	Foreign currency translation reserve	with non-controlling interests	Gain on reissuance of treasury shares	Merger reserve	Capital reserve	Retained earnings	of the Company	Non-controlling interests	Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 March 2025	487,903	(22,017)	(176,451)	673	(178,818)	661	–	1,033	84,992	374,427	155	374,582
Profit for the year	–	–	–	–	–	–	–	–	21,824	21,824	403	22,227
Other comprehensive income for the year	–	–	12	12	–	–	–	–	–	12	–	12
Total comprehensive income for the year	–	–	12	12	–	–	–	–	21,824	21,836	403	22,239
Transactions with owners:												
Dividend on ordinary shares (Note 37)	–	–	–	–	–	–	–	–	(6,522)	(6,522)	–	(6,522)
Acquisition of subsidiaries under common control (Note 15)	–	–	(84,175)	–	–	–	(84,175)	–	–	(84,175)	–	(84,175)
Transfer to retained earnings	–	–	(1,033)	–	–	–	–	(1,033)	1,033	–	–	–
Total transactions with owners	–	–	(85,208)	–	–	–	(84,175)	(1,033)	(5,489)	(90,697)	–	(90,697)
Closing balance at 28 February 2026	487,903	(22,017)	(261,647)	685	(178,818)	661	(84,175)	–	101,327	305,566	558	306,124

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

Statements of CHANGES IN EQUITY (cont'd)

For the financial year ended 28 February 2026

Group	Attributable to owners of the Company										
				Net premium paid/ received on				Total equity attributable to owners			
	Ordinary shares	Treasury shares	Total other reserves	Foreign currency translation reserve	with non-controlling interests	Gain on reissuance of treasury shares	Capital reserve	Retained earnings	of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 March 2024	487,903	(22,017)	(177,337)	820	(178,818)	661	–	57,134	345,683	2,597	348,280
Profit for the year	–	–	–	–	–	–	–	53,612	53,612	61	53,673
Other comprehensive income for the year	–	–	(147)	(147)	–	–	–	–	(147)	–	(147)
Total comprehensive income for the year	–	–	(147)	(147)	–	–	–	53,612	53,465	61	53,526
<u>Transactions with owners:</u>											
Dividend on ordinary shares (Note 37)	–	–	–	–	–	–	–	(25,754)	(25,754)	–	(25,754)
Total transactions with owners	–	–	–	–	–	–	–	(25,754)	(25,754)	–	(25,754)
<u>Transactions with non-controlling interests:</u>											
Strike off of subsidiaries	–	–	1,033	–	–	–	1,033	–	1,033	(2,503)	(1,470)
Total transactions with non-controlling interests	–	–	1,033	–	–	–	1,033	–	1,033	(2,503)	(1,470)
Closing balance at 28 February 2025	487,903	(22,017)	(176,451)	673	(178,818)	661	1,033	84,992	374,427	155	374,582

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

Statements of **CHANGES IN EQUITY** (cont'd)

For the financial year ended 28 February 2026

Company	Ordinary shares RM'000 (Note 29)	Treasury shares RM'000	Others reserve RM'000	Retained earnings/ (accumulated losses) RM'000	Total equity RM'000
Opening balance at 1 March 2025	978,725	(22,017)	661	(626,645)	330,724
Profit for the year	–	–	–	2,970	2,970
Total comprehensive income for the year	–	–	–	2,970	2,970
<u>Transactions with owners:</u>					
Dividend on ordinary shares (Note 37)	–	–	–	(6,522)	(6,522)
Total transactions with owners	–	–	–	(6,522)	(6,522)
Closing balance at 28 February 2026	978,725	(22,017)	661	(630,197)	327,172
Opening balance at 1 March 2024	978,725	(22,017)	661	(220,176)	737,193
Loss for the year	–	–	–	(380,715)	(380,715)
Total comprehensive loss for the year	–	–	–	(380,715)	(380,715)
<u>Transactions with owners:</u>					
Dividend on ordinary shares (Note 37)	–	–	–	(25,754)	(25,754)
Total transactions with owners	–	–	–	(25,754)	(25,754)
Closing balance at 28 February 2025	978,725	(22,017)	661	(626,645)	330,724

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

Consolidated CASH FLOW STATEMENT

For the financial year ended 28 February 2026

		Group	
	Note	2026 RM'000	2025 RM'000
Cash flows from operating activities			
Profit before tax		35,422	57,538
<u>Adjustments for:</u>			
Compensation received from Compulsory Land Acquisition	5	–	(69,610)
Depreciation of property, plant and equipment	11	5,356	2,944
Depreciation of right-of-use assets	28	8,124	8,572
Depreciation of investment properties	12	13	–
Impairment loss on property, plant and equipment	11	–	109
Impairment loss on right-of-use assets	28	322	219
Impairment loss on trade and other receivables	7	120	–
Gain on disposal of property, plant and equipment	5	(189)	(35)
Loss/(gain) arising from changes in fair values of biological assets	13	4	(43)
Property, plant and equipment written off	7	195	906
(Gain)/loss on lease termination	7	(23,293)	1,876
Bad debts written off	7	4	53
(Reversal of)/provision for inventories written down	5,7	(389)	542
Finance costs	8	6,255	6,824
Interest income	5	(5,566)	(8,097)
Gain from lease modifications	28	–	(790)
Deposit forfeited	5	–	(15)
Reversal of provision for restoration costs	5	(545)	–
Reversal of short term accumulating compensated absences	6	(12)	(33)
Net unrealised foreign exchange loss		2,250	179
Operating cash flows before changes in working capital		28,071	1,139
<u>Changes in working capital</u>			
Decrease in trade and other receivables		38,284	11,004
Decrease/(increase) in prepayments		457	(5,296)
\Decrease in inventories		14,656	12,503
Decrease in trade and other payables		(26,436)	(46)
Decrease in provision for restoration costs		(159)	–
Cash flows generated from operations		54,873	19,304
Interest paid		(6,134)	(6,824)
Income taxes paid		(3,113)	(3,887)
Net cash flows generated from operating activities		45,626	8,593

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

Consolidated CASH FLOW STATEMENT (cont'd)

For the financial year ended 28 February 2026

		Group	
	Note	2026 RM'000	2025 RM'000
Cash flows from investing activities			
Interest received		5,566	8,097
Acquisition of development rights		–	(9,500)
Compensation received from Compulsory Land Acquisition		–	69,610
Investment in structured note		(13,018)	–
Net cash outflow on acquisition of subsidiaries under common control	15	(143,939)	–
Proceeds from disposal of property, plant and equipment		189	36
Purchase of property, plant and equipment	11(a)	(3,874)	(1,091)
Net cash flows (used in)/generated from investing activities		(155,076)	67,152
Cash flows from financing activities			
Increase in pledged deposits		(151)	(193)
Payment of principal portion of lease liabilities		(6,448)	(4,361)
Repayment of borrowings		(1,990)	–
Dividends paid to the ordinary shareholders of the Company	37	(6,522)	(25,754)
Net cash used in financing activities		(15,111)	(30,308)
Net (decrease)/increase in cash and cash equivalents		(124,561)	45,437
Effects of foreign exchange rate changes		(1,805)	(335)
Cash and cash equivalents at beginning of the financial year		222,913	177,811
Cash and cash equivalents at end of the financial year	22	96,547	222,913

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

Notes to THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2026

1. Corporate information

Duty Free International Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The holding company is Atlan Holdings Bhd (“Atlan”). Atlan is a public limited company incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 138 Cecil Street #12-01A Cecil Court, Singapore 069538.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 15 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Malaysian Ringgit (RM) and all values in the tables are rounded to the nearest thousand (RM’000), except when otherwise indicated.

The financial statements of the Company have been prepared on a going concern basis notwithstanding the fact that as at 28 February 2026, the current liabilities of the Company exceeded its current assets by RM42,542,000 (2025: current assets exceeded its current liabilities by RM103,455,000) as the Company has the ability to receive dividends from its operating subsidiaries as and when the need arises to meet their financial obligations as and when they fall due.

On 31 October 2025 (the “acquisition date”), the Company acquired 100% equity interest in United Industries Holdings Sdn. Bhd (“UIH”) at a consideration of RM175,525,000 inclusive of stamp duty of RM525,000. Both UIH and the Company are directly and indirectly held by Atlan and accordingly, the restructuring is accounted for under common control. Following the completion of the acquisition, UIH became a 100% owned subsidiary of the Group. The Group has adopted an accounting policy to consolidate UIH from the acquisition date, where they have obtained control of UIH. The difference between the consideration paid and the carrying value of UIH had been recognised as “Merger reserve” within equity for the financial year ended 28 February 2026. The combination has been disclosed in Note 15 to the financial statements.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 March 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 9 and SFRS(I) 7: Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements to SFRS(I)s Volume 11	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
SFRS(I) 18 Presentation and Disclosures in Financial Statements	1 January 2027
SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for SFRS(I) 18, the directors expect that the adoption of the new and amendments to the standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of amendments to SFRS(I) 18 is described below:

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18, which replaces SFRS(I) 1-1 Presentation of Financial Statements, introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to SFRS(I) 1-7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

SFRS(I) 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. SFRS(I) 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Acquisitions of subsidiaries that includes put options to acquire non-controlling interests in the future are accounted for in accordance with SFRS(I) 10 Consolidated Financial Statements. During the period the non-controlling interests put options remain unexercised, the non-controlling interests are calculated and immediately derecognised as though it was acquired at that date. A financial liability with respect to put options is recognised in accordance with SFRS(I) 9 Financial Instruments: Recognition and Measurement. The difference between derecognition of the non-controlling interests and recognition of the financial liabilities is accounted for as an equity transaction, and disclosed under capital reserve in equity.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities from the date the entities are combined.

The Group has adopted an accounting policy to reflect the combination from the date the entities are combined.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The Group's consolidated financial statements are presented in Malaysian Ringgit ("RM"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.17. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment other than leasehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital-work-in-progress, which comprise the refurbishment and renovation of building and land improvements are not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, as follows:

Buildings	40 to 93 years
Golf course	60 years
Plant and machinery	3 to 10 years
Furniture and fittings	3 to 10 years
Electrical installation and air conditioner	5 to 10 years
Other assets	5 to 24 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.9 Bearer trees and biological assets

Bearer trees are living plants used in the production or supply of agricultural produce which are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer trees mainly include mature and oil palm plantations and are recognised as non-current assets measured at cost less accumulated depreciation. Mature plantations are depreciated on a straight-line basis over its estimated useful life of 25 years.

In general, oil palms are considered mature over 30 to 36 months after field planting.

The carrying values of bearer trees are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

Bearer trees are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer trees is included in the income statement in the year the bearer plant is derecognised.

Produce that grows on mature plantations are recognised as biological assets measured at fair value less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the produce.

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.11 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

The subsequent measurement of financial assets depends on their classification as follows:

(a) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(b) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(c) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.11 Financial assets (cont'd)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.14 Inventories

(a) Trading inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

(b) Manufacturing inventories

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

- (i) Raw materials: purchase costs on a first-in first-out basis.
- (ii) Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.15 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent measurement

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF") and companies in Singapore make contributions to the Central Provident Fund scheme ("CPF").

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.18 Employee benefits (cont'd)

(c) Defined benefit plans

The Group operates an unfunded, defined benefit plan for its eligible employees. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods and that benefit is discounted to determine the present value. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The defined benefit obligation is calculated using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, are recognised immediately in the statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under employee benefits expense in the income statements:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments, and non-routine settlements; and
- net interest expense or income.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. An accrual is made for estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(e) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date in accordance with the provisions of the employment contract and/or local labour laws.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.19 Leases (cont'd)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	–	92 years
Land use rights	–	39 to 99 years
Buildings	–	1 to 25 years
Office equipment	–	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 2.8.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over a period of time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(b) Consignment sale of goods

The Group acts as an agent to sell consignment goods at their premise. The Group recognises the net amount of consideration that the Group retains after paying the consignor as and when the goods are sold.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Revenue from parking operations

Revenue from parking operations is recognised as and when the services are rendered.

(e) Sale of oil palm fresh fruit bunches

Revenue from sale of oil palm fresh fruit bunches is recognised when significant risks and rewards of ownership of goods are transferred to the customer.

(f) Interest income

Interest income is recognised using the effective interest method.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.21 Taxes (cont'd)

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods & services tax included.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results for the purpose of making decisions about resource allocation and performance assessment.

Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

The Group's own equity instruments, which are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or cancellation of ordinary shares.

2.24 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

2. Material accounting policy information (cont'd)

2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.26 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss in the year of retirement or disposal.

Depreciation on investment properties is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight line basis over their estimated useful lives (or lease terms, if shorter). The estimated useful lives of the investment properties at the reporting date is 84 years. The residual value, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. Rental income from investment properties is accounted for in the manner described in Note 2.20.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the consolidated financial statements, apart from those involving estimations described below.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

Management performs impairment testing for the following assets:

- Goodwill;
- Property, plant and equipment;
- Right-of-use assets;
- Investments in subsidiaries

The above non-financial assets are tested whenever there is an indication of impairment, except goodwill which is tested for impairment annually. Impairment is recognised when events and circumstances indicate that the non-financial assets may be impaired and the carrying amounts of the non-financial assets exceed the recoverable amounts. Recoverable amount is defined as the higher of the non-financial assets' fair value less costs of disposal and its value-in-use.

When value-in-use calculations are undertaken, Management estimates the recoverable amount based on a discounted cash flow model. The cash flows are derived from the budget approved by the Management. The recoverable amount is sensitive to budgeted gross margin, revenue growth rate as well as the discount rate used for the discounted cash flow model. For impairment assessment of goodwill and investments in subsidiaries, in addition to assumptions mentioned above, the recoverable amount is also sensitive to long term growth rate. Changes in these assumptions may result in changes in recoverable values.

When fair value less costs of disposal calculations are undertaken, Management determines a suitable basis to estimate the recoverable value.

For FY2026, Management's impairment assessment of these assets remains significant to the audit due to magnitude of the amounts. The determination of value-in-use calculations was based on a range of probability-weighted possible outcomes.

The carrying amount of the non-financial assets as at 28 February 2026 and related assumptions are disclosed in their respective notes to the financial statements.

Non-financial assets	Notes to the financial statements
Property, plant and equipment	11
Goodwill	14
Investments in subsidiaries	15
Right-of-use assets	28

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

4. Revenue

	Group	
	2026	2025
	RM'000	RM'000
Sale of goods	210,100	151,902
Parking operations	–	1,267
Sale of oil palm fresh fruit bunches	2,401	1,929
Rental income	101	2
	<u>212,602</u>	<u>155,100</u>
<u>Timing of transfer of goods and services</u>		
At a point in time	212,501	155,098
Over a period of time	101	2
	<u>212,602</u>	<u>155,100</u>

Contracts balances

Information about receivables and contract liabilities and balances arising from contracts with customers is disclosed as follows:

	Group	
	2026	2025
	RM'000	RM'000
Trade receivables	13,004	382
Capitalised contract costs	<u>479</u>	<u>–</u>

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

5. Other income

Compensation from Compulsory Land Acquisition

	Group	
	2026	2025
	RM'000	RM'000
Interest income from licensed banks	5,147	6,342
Interest income from Berjaya Waterfront Sdn. Bhd. (Note 18)	419	1,755
Rental income from property, plant and equipment	501	493
Gain arising from changes in fair value of biological assets	–	43
Gain on disposal of property, plant and equipment	189	35
Deposit forfeited	–	15
Gain arising from termination/modifications of lease **	23,293	790
Reversal of provision for restoration costs	545	–
Net reversal of inventories written down	389	–
Miscellaneous income	1,366	1,438
	<u>31,849</u>	<u>10,911</u>
Compensation from Compulsory Land Acquisition ^	<u>–</u>	<u>69,610</u>

** This is primarily attributable to the derecognition of a lease following the termination of the lease arrangement at Johor Bahru Zone with Berjaya Waterfront Sdn. Bhd., consequent to the cessation of business operations due to the non-renewal of the business licence during the financial year (Note 38(c)).

^ This compensation relates to the payment received from the Ministry of Home Affairs of Malaysia (or Kementerian Dalam Negeri (“KDN”)) for the compulsory acquisition of two lands namely Lot 1683 and Lot 61677, located at Bukit Kayu Hitam, Kubang Pasu District, Kedah, owned by the Group’s wholly-owned subsidiaries, Cergasjaya Sdn Bhd (“Cergasjaya”) and Cergasjaya Properties Sdn Bhd (“Cergasjaya Properties”) (“Compulsory Land Acquisition”).

6. Employee benefits expenses

	Group	
	2026	2025
	RM'000	RM'000
Wages and salaries	19,585	13,520
Contributions to defined contribution plan	1,744	1,433
Accommodation benefits	130	132
Staff welfare	140	55
Social security contributions	337	184
Medical benefits	158	66
Reversal of short term accumulating compensated absence	(12)	(33)
Staff uniforms	26	11
Termination benefits #	2,342	3,883
Other benefits	52	615
	<u>24,502</u>	<u>19,866</u>

This relates to compensation paid to employees and workers following the termination of employment due to the cessation of duty-free business operations at the Johor Bahru and Langkawi outlets in the current financial year and the Bukit Kayu Hitam outlet in the last financial year.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

7. Other expenses

The following items have been included in arriving at other expenses:

	Group	
	2026	2025
	RM'000	RM'000
Non-executive directors' remuneration	703	625
Assessment and quit rent	1,221	1,306
Auditors' remuneration:		
Audit fees:		
- Auditors of the Company	301	256
- Other auditors	563	559
Non-audit fees:		
- Auditors of the Company	15	13
Bank charges	594	748
Bad debts written off	4	53
Donations	202	1,162
Interest on arrears for the payment of development rights	–	1,960
Impairment loss on receivables	120	–
Insurance premium	825	644
Inventories written down	–	542
Licences and permits	525	556
Loss arising from changes in fair value of biological assets	4	–
Loss on lease termination	–	1,876
Management fees	2,500	5,000
Packing materials	217	196
Property, plant and equipment written off	195	906
Royalties	498	68
Security services	467	364
Sub-contractor charges *	4,766	–
Transportation costs	913	700
Travelling expenses	551	810

* Sub-contractor charges represent the costs incurred for engaging third-party service providers to carry out or support certain activities within the manufacturing process of the newly acquired subsidiary, United Industries Group ("UIG").

8. Finance costs

	Group	
	2026	2025
	RM'000	RM'000
Interest expense on:		
- Bank borrowings	245	53
- Lease liabilities (Note 28)	6,010	6,771
	6,255	6,824

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 28 February 2026 and 28 February 2025 are:

	Group	
	2026 RM'000	2025 RM'000
Consolidated income statement:		
<i>Current income tax:</i>		
Current income taxation	5,579	4,095
Over provision in respect of previous years	(536)	(110)
	<u>5,043</u>	<u>3,985</u>
<i>Deferred tax (Note 19):</i>		
Origination and reversal of temporary differences	6,656	(99)
Under/(over) provision in respect of previous years	1,496	(21)
	<u>8,152</u>	<u>(120)</u>
Income tax expense recognised in profit or loss	<u>13,195</u>	<u>3,865</u>

Relationship between income tax expense and accounting profit

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 28 February 2026 and 28 February 2025 is as follows:

	Group	
	2026 RM'000	2025 RM'000
Profit before tax	<u>35,422</u>	<u>57,538</u>
Tax at Malaysia's statutory rate of 24% (2025: 24%)	8,501	13,809
Adjustments:		
Income not subject to taxation	(5,764)	(16,271)
Non-deductible expenses	8,594	5,466
Effect of different tax rates in other country	301	352
Effect of tax relief	(7)	(90)
Utilisation of deferred tax assets previously not recognised	(39)	(155)
Deferred tax assets not recognised	649	885
Over provision of current tax in respect of previous years	(536)	(110)
Under/(over) provision of deferred tax in respect of previous years	1,496	(21)
Income tax expense recognised in profit or loss	<u>13,195</u>	<u>3,865</u>

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

10. Earnings per share

Basic earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 28 February 2026 and 28 February 2025:

	Group	
	2026	2025
Earnings net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share (RM'000)	21,824	53,612
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,198,200	1,198,200
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,198,200	1,198,200

11. Property, plant and equipment

	Buildings	Golf course	Plant and machinery	Bearer trees	Capital work-in-progress	Furniture and fittings	Electrical installation and air conditioner	Other assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost:									
At 1 March 2024	35,731	44,648	8,378	2,825	1,405	3,482	4,984	34,105	135,558
Additions	-	-	10	-	301	51	91	638	1,091
Disposals	-	-	(21)	-	-	(20)	(183)	(93)	(317)
Written-off	(9,804)	-	(4,567)	-	-	(80)	(1,077)	(3,466)	(18,994)
At 28 February 2025 and 1 March 2025	25,927	44,648	3,800	2,825	1,706	3,433	3,815	31,184	117,338
Additions	1,214	-	1,921	-	-	146	76	517	3,874
Disposals	-	-	-	-	-	-	-	(982)	(982)
Written-off	-	-	(572)	-	-	(2,332)	(644)	(6,519)	(10,067)
Reclassification	781	-	7,697	-	(8,478)	-	-	-	-
Acquisition of subsidiaries under common control ("Acquisition")	55,109	-	100,754	-	13,320	543	-	6,494	176,220
At 28 February 2026	83,031	44,648	113,600	2,825	6,548	1,790	3,247	30,694	286,383

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

11. Property, plant and equipment (cont'd)

Group	Buildings	Golf course	Plant and machinery	Bearer trees	Capital work-in-progress	Furniture and fittings	Electrical installation and air conditioner	Other assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation and impairment losses:									
At 1 March 2024	21,003	19,472	7,888	1,422	–	3,307	3,664	28,614	85,370
Depreciation charge for the year	506	766	192	113	–	91	165	1,111	2,944
Disposals	–	–	(21)	–	–	(20)	(183)	(92)	(316)
Written-off	(9,770)	–	(4,556)	–	–	(80)	(771)	(2,911)	(18,088)
Impairment loss for the year	109	–	–	–	–	–	–	–	109
Reclassification	–	–	–	–	–	4	(64)	60	–
At 28 February 2025 and 1 March 2025	11,848	20,238	3,503	1,535	–	3,302	2,811	26,782	70,019
Depreciation charge for the year	927	766	2,229	113	–	52	92	1,177	5,356
Disposals	–	–	–	–	–	–	–	(982)	(982)
Written-off	–	–	(543)	–	–	(2,291)	(617)	(6,421)	(9,872)
Acquisition	12,437	–	80,723	–	–	464	–	4,542	98,166
At 28 February 2026	25,212	21,004	85,912	1,648	–	1,527	2,286	25,098	162,687
Net carrying amount:									
At 28 February 2026	57,819	23,644	27,688	1,177	6,548	263	961	5,596	123,696
At 28 February 2025	14,079	24,410	297	1,290	1,706	131	1,004	4,402	47,319

Other assets comprise office equipment, computer, renovations and motor vehicles.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

11. Property, plant and equipment (cont'd)

	Office equipment and computer RM'000
Company	
Cost:	
At 1 March 2024, 28 February 2025, 1 March 2025 and 28 February 2026	5
Accumulated depreciation:	
At 1 March 2024, 28 February 2025, 1 March 2025 and 28 February 2026	5
Net carrying amount:	
At 28 February 2025 and 28 February 2026	—

(a) Addition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment by the following means:

	Group	
	2026 RM'000	2025 RM'000
Cash payment	3,874	1,091

- (b) During the financial year, the Group completed the acquisition of United Industries Holdings Sdn. Bhd. and its subsidiaries under common control, which are principally involved in the manufacturing and supply of automotive component parts. The acquisition is expected to contribute a stable and recurring revenue stream and to diversify the Group's sources of income.

During the same financial year, the Group's duty-free business operations were adversely affected by the cessation of operations at the integrated commercial duty-free complex in Johor Bahru Zone following the non-renewal of business licences by the local authority (Note 38(c)) as well as the closure of the Langkawi outlet at the request of the landlord to facilitate major refurbishment works. Consequently, the tenancy agreements at both locations were terminated resulting in a gain on lease termination (Note 28) of RM23,293,000 and property, plant and equipment written off of RM195,000.

During the last financial year, the Group's business operations were impacted by the closure of its long-established duty-free complex and car park operations at Bukit Kayu Hitam. This closure was necessitated by the compulsory acquisition of land at Bukit Kayu Hitam, Kubang Pasu District, Kedah, by the Malaysian Government for a road construction project to connect the Bukit Kayu Hitam ICQS Complex in Kedah with the CIQ Sadao facility in Thailand ("Compulsory Land Acquisition").

The Compulsory Land Acquisition has resulted in the closure of its duty-free operations in Bukit Kayu Hitam, leading to a reduction in both the Group's earnings and cash flows. In view of this, the land use rights and other associated assets resulted in property, plant and equipment written off of RM906,000 and loss on lease termination of RM1,876,000.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

11. Property, plant and equipment (cont'd)

(c) Impairment review

Management has conducted an assessment and identified indicators of impairment in the property, plant and equipment, as well as the right-of-use assets associated with the respective Company's cash-generating units ("CGUs") within the Group. Accordingly, a review on the recoverable amount of the property, plant and equipment and right-of-use assets (Note 28) was performed during the current financial year.

The cash-generating units ("CGU") recoverable amounts of the property, plant and equipment and right-of-use assets (Note 28) have been determined based on value-in-use calculations using probability-weighted cash flow projections approved by management. The pre-tax discount rate applied to cash flow projections is 14.3% to 21.0% (2025: 11.5% to 19.2%).

For the financial year ended 28 February 2026, the Group recognised an impairment loss on right-of-use assets of RM322,000 (2024: RM219,000) (Note 28) and impairment loss on property, plant and equipment of RM Nil (2025: RM109,000).

12. Investment properties

	Group	
	2026	2025
	RM'000	RM'000
Cost		
At 1 March	–	–
Acquisition	2,484	–
At 28 February	2,484	–
Accumulated depreciation		
At 1 March	–	–
Acquisition	350	–
Depreciation charge for the year	13	–
At 28 February	363	–
Net carrying amount	2,121	–

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

12. Investment properties (cont'd)

The fair values of the investment properties were based on a valuation report provided by an independent qualified valuer. Valuation was based on current prices in an active market for certain properties and where appropriate, investment method. Investment method reflects receipt of contractual rentals, expected future market rentals, current market yields, void periods, maintenance requirements and appropriate capitalisation rates.

The investment properties held by the Group as at 28 February 2026 are as follows:

Description and location	Existing use	Tenure	Age of building (Years)	Date of acquisition
A single-storey open-sided detached factory at PS 1641-A, Kawasan Perindustrian Pulau Sebang, 78000 Alor Gajah, Melaka	Factory	Leasehold (99 years expiring on 23 Oct 2100)	10	2017

Investment properties with a net carrying amount of RM2,121,000 are pledged as securities for borrowings (Note 23).

A quantitative sensitivity analysis of the change in the yield rate as at 28 February 2026 is shown below:

Description	Fair value (RM'000)	Valuation technique	Unobservable inputs	Range	Sensitivity of the input fair value
Leasehold land and factory	2,200	Market comparison method/ Depreciated replacement cost method	Recent comparable transactions adjusted based on management's assumption *	RM28 to RM40 per square feet (2025: Nil)	The estimated fair value would increase/ (decrease) if the price per square feet is higher/(lower).

* The adjustments are made for any difference in the nature, location or condition of the specific property

Gross rental income of RM24,000 (2025: Nil) was derived from the investment properties for the period following the Acquisition during the year.

The fair value has been categorised as a Level 3 valuation method.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

13. Biological assets

	Group	
	2026	2025
	RM'000	RM'000
At fair value:		
At 1 March	213	170
(Loss)/gain arising from changes in fair values	(4)	43
At 28 February	209	213

Mature oil palm trees produce fresh fruit bunches ("FFB"), which are used to produce Crude Palm Oil ("CPO") and Palm Kernel ("PK"). The fair value of FFB is determined by using the total sales figure in the following month with the assumptions that all the fruits harvested are sold subsequently to the customer.

During the year, the Group harvested approximately 3,000 tonnes (2025: 2,500 tonnes) of FFB. The selling prices per tonne for those FFB ranged between RM2,900 to RM4,700 (2025: RM2,300 to RM5,100). The selling prices per tonne for FFB were based on a calculation using the periodic market prices of CPO and PK and contracted pre-determined extraction rates of CPO and PK as agreed with the buyer of FFB.

14. Goodwill

	Group	
	2026	2025
	RM'000	RM'000
Cost		
At 1 March and 28 February	28,816	28,816
Accumulated impairment losses		
At 1 March and 28 February	22,998	22,998
Net carrying amount at end of the year	5,818	5,818

Impairment testing of goodwill

The carrying amount of goodwill relates to the following business segment:

	Group	
	2026	2025
	RM'000	RM'000
Emas Kerajang Sdn. Bhd.	5,818	5,818

The recoverable amount of the CGUs was determined based on value-in-use calculations using probabilities-weighted cash flow projections from financial forecasts with key assumptions approved by management covering a five-year period.

In the financial year ended 28 February 2026 and 28 February 2025, no impairment loss has been recognised by management on goodwill arising from acquisition of these CGUs.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

14. Goodwill (cont'd)

Key assumptions used in the discounted cash flow models were revenue growth rates, budgeted gross margins, ability to renew duty free licenses, discount rates, and long-term growth rate.

- (i) The revenue projection for the first year was determined based on financial budget prepared. Revenue growth rates for FY2027 to FY2031 range between 3% to 5% (2025: Revenue growth rates for FY2026 to FY2030 range between 2% to 7%).
- (ii) The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment was 22% (2025: 19%) which was based on average gross margin achieved in past years.
- (iii) The duty free business requires a number of licences, which include duty free shop licence, wholesale dealer's licence, bonded warehouse licence and/or liquor import licence. It is assumed that the licences will be renewed upon their expiry on terms and conditions which are not less favourable.
- (iv) The forecasted long-term growth rates were based on published industry research and did not exceed the long-term average growth rate for the industries relevant to the CGUs. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period was 2.2% (2025: 2.2%).
- (v) The pre-tax discount rate applied to the cash flow projections was 14.3% (2025: 14.2%).

Sensitivity analysis

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

15. Investments in subsidiaries

	Company	
	2026 RM'000	2025 RM'000
Equity shares, at cost	1,084,209	908,684
Allowance for impairment losses	(724,625)	(679,389)
Total	359,584	229,295
Movement in allowance account:		
At 1 March	(679,389)	(278,527)
Impairment for the year	(45,236)	(407,018)
Written off during the year	–	6,156
At 28 February	(724,625)	(679,389)

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

15. Investments in subsidiaries (cont'd)

Impairment testing of investments in subsidiaries

During the current financial year, the management performed a review on the recoverable amount of the investments in subsidiaries with indicators of impairment. The recoverable amounts of the investments in subsidiaries were estimated based on the higher of the value-in-use and fair value less costs of disposal calculations. For the impairment assessment using the value-in-use model, the calculations were derived from probability-based cash flow projections. Key assumptions adopted in the value-in-use calculations included revenue projections, gross margins, discount rates and terminal growth rate. For impairment assessment using the fair value less costs of disposal model, the calculations is derived using valuation methods which include adjusted net assets of the subsidiary. Based on the assessment, an impairment loss of RM45,236,000 (2025: RM407,018,000) was recognised during the financial year when the recoverable amount was below the carrying amount of investment in subsidiaries.

(a) Composition of the Group

The Group has the following significant investments in subsidiaries.

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest		Cost of investment	
			2026	2025	2026	2025
			%	%	RM'000	RM'000
<i>Held by the Company</i>						
DFZ Capital Sdn. Bhd. ^	Malaysia	Investment holding	100.00	100.00	678,039	678,039
Darul Metro Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00	230,645	230,645
Orchard Boulevard Sdn. Bhd. ^	Malaysia	Investment holding and resort development	100.00	100.00	*	*
United Industries Holdings Sdn. Bhd. (“UIH”) ^	Malaysia	Investment holding	100.00	–	175,525	–
Zon Duty Free Pte. Ltd. #	Singapore	Wholesaler and distributor of duty free and non-dutiable merchandise	100.00	100.00	*	*
					1,084,209	908,684

* Cost of investment less than RM500.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

15. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest	
			2026 %	2025 %
Held by DFZ Capital Sdn. Bhd.				
DFZ Trading Sdn. Bhd. ^	Malaysia	Investment holding and management services	100.00	100.00
Selasih Eksklusif Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	100.00	100.00
Winner Prompt Sdn. Bhd. ^	Malaysia	Licensed distributor and wholesaler of duty free merchandise	100.00	100.00
Emas Kerajang Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	69.90	69.90
Seruntun Maju Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	69.80	69.80
Held by Darul Metro Sdn. Bhd.				
Binamold Sdn. Bhd.^	Malaysia	Property investment	100.00	100.00
Cergasjaya Sdn. Bhd. ^	Malaysia	Wholesaler and retailer of duty free and non-dutiable merchandise	100.00	–
Held by Orchard Boulevard Sdn. Bhd.				
Gold Vale Development Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00
Kelana Megah Sdn. Bhd. ^	Malaysia	Property investment	100.00	100.00
Cergasjaya Properties Sdn. Bhd. ^	Malaysia	Resort development and properties management and cultivation of oil palm	100.00	100.00
Black Forest Golf and Country Club Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00
Tenggara Senandung Sdn. Bhd. ^*	Malaysia	Dormant	100.00	100.00
DFZ Asia Sdn. Bhd. ^	Malaysia	Investment holding	100.00	100.00
PT DFZ Indon	Indonesia	Dormant	99.00	99.00

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

15. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest	
			2026 %	2025 %
Held by UIH				
United Industries Sdn. Bhd. ^	Malaysia	Manufacturing and marketing of exhaust systems and other automotive component parts	100.00	–
United Sanoh Industries Sdn. Bhd. ^	Malaysia	Manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings	70.00	–
UVI Advance Technology Sdn. Bhd. ^	Malaysia	Dormant	100.00	–
Held by DFZ Trading Sdn. Bhd.				
Cergasjaya Sdn. Bhd. ^	Malaysia	Wholesaler and retailer of duty free and non-dutiable merchandise	–	100.00
Melaka Duty Free Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	51.00	51.00
DFZ Duty Free Supplies Sdn. Bhd. ^	Malaysia	Wholesaler and distributor of duty free and non-dutiable merchandise	100.00	100.00
Jasa Duty Free Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	100.00	100.00
DFZ Emporium Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	29.30	29.30
DFZ (M) Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	69.89	69.89
Wealthouse Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	28.60	28.60
Jelita Duty Free Supplies Sdn. Bhd. ^	Malaysia	Wholesaler and distributor of duty free and non-dutiable merchandise	100.00	100.00

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

15. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest	
			2026	2025
			%	%
Held by DFZ Trading Sdn. Bhd. (cont'd)				
DFZ Duty Free (Langkawi) Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	100.00	100.00
Zon Emporium Sdn. Bhd. ^*	Malaysia	Dormant	100.00	100.00
Held by DFZ Asia Sdn. Bhd.				
PT DFZ Indon	Indonesia	Dormant	1.00	1.00
Held by UIH and United Industries Sdn. Bhd.				
United Vehicles Industries Sdn. Bhd. ^	Malaysia	Manufacturing and marketing fuel tanks, other automotive component parts and wheelbarrows	100.00	—
Held by UVI Advance Technology Sdn. Bhd.				
United Daisheng Technology Industries Sdn. Bhd. ^***	Malaysia	Dormant	50.00	—

[^] Audited by Ernst & Young, Chartered Accountants (Malaysia), a member firm of the Malaysian Institute of Accountants

^{*} Submitted striking off applications on 3 December 2025 and 17 December 2025 for Tenggara Senandung Sdn. Bhd. and Zon Emporium Sdn. Bhd. respectively.

^{**} Accounted as subsidiaries with 100% effective ownership as the Group has full control in the entities through the terms of non-voting Convertible Redeemable Preference Shares and shareholder agreement entered into by the Group and the non-controlling interest.

^{***} A joint venture company of the Group with carrying value less than RM500

[#] Audited by other firm of Certified Public Accountants

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

15. Investments in subsidiaries (cont'd)

(b) Acquisition of subsidiaries under common control

On 31 October 2025 (the “acquisition date”), the Company acquired 37,700,000 new ordinary shares of United Industries Holdings Sdn. Bhd (“UIH”) under common control at a consideration of RM175,525,000 inclusive of stamp duty of RM525,000 following the satisfaction of the conditions precedent to the Agreement (“Acquisition”). Following the completion of the Acquisition, UIH became a 100% owned subsidiary of the Company.

United Industries Holdings Sdn. Bhd. and its subsidiaries (collectively referred to as the “United Industries Group” or “UIG”) are engaged in the manufacturing and supply of automotive component parts to original equipment manufacturers (“OEMs”) in Malaysia. The Company acquired UIG to pursue new opportunities through business diversification and to establish an additional income stream for future growths.

The acquisition was effected under common control from the holding company, Atlan Holdings Berhad. Accordingly, the Company applied the pooling of interests method for consolidation whereby the assets and liabilities of the UIG were recognised at their existing carrying amounts as reflected in the financial statements. The Group has adopted an accounting policy to consolidate UIG from the acquisition date, where they have obtained control of UIH.

The carrying amount of the identifiable assets and liabilities of UIG as at the acquisition date were:

	Carrying amount recognised on acquisition
	RM'000
Property, plant and equipment	78,054
Investment properties	2,134
Right-of-use assets	820
Other investments	136
Cash and bank balances	34,289
Trade and other receivables	27,980
Capitalised contract costs	2,372
Inventories	27,956
	<u>173,741</u>
Deferred tax liabilities	(3,670)
Lease liabilities	(850)
Borrowings	(15,470)
Trade and other payables	(61,063)
Employee benefits	(1,863)
	<u>(82,916)</u>
Total identifiable net assets at carrying amount	90,825
Non-controlling interest of UIH	(10,731)
	<u>80,094</u>

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

15. Investments in subsidiaries (cont'd)

(b) Acquisition of subsidiary (cont'd)

	Fair value recognised on acquisition RM'000
<u>Consideration transferred for the acquisition of UIG</u>	
Total cash consideration paid for 100% equity interest acquired	175,000
<u>Effect of the acquisition of UIG on cash flows</u>	
Total consideration paid in cash	175,000
Less: Cash and bank balances of United Industries Group	(34,289)
Add: Deposits pledged with licensed banks	3,228
Net cash outflow on acquisition	143,939
<u>Impact of the acquisition on profit or loss</u>	

From the acquisition date, United Industries Group has contributed RM72,502,000 of revenue and net profit of RM7,465,000 to the Group's profit for the year. If the business combination had taken place at the beginning of the financial year, the Group's revenue would have been RM363,945,000 and the Group's profit for the financial year would have been RM33,565,000.

16. Investment in structured note

	Group and Company	
	2026	2025
	RM'000	RM'000
At fair value through profit or loss		
- Structured note	12,560	-
Non-current	12,560	-

During the financial year, the Group invested in structured notes denominated in Singapore Dollar (SGD) with an aggregate principal amount of SGD4.0 million, issued on 31 October 2025 and maturing in three years. The structured notes carry a guaranteed fixed return of 6% per annum, payable in accordance with the terms of the agreement and are redeemable at the aggregate principal amount adjusted for movement in the underlying index plus accrued interest upon maturity. The principal amount is not capital protected.

The Group is also granted a put option by the promoter of the investment which entitles the Group to require the promoter to purchase the structured notes at the higher of SGD4.0 million and aggregate principal amount adjusted for movement in the underlying index plus accrued interest upon the occurrence of certain trigger events. These events include, inter alia, failure by the issuer to redeem the structured notes when due, failure to pay the guaranteed interest of 6% per annum when due or any other breach of the relevant agreements. The put option is exercisable with settlement required within ten business days, failing which late payment interest at a rate of 8% per annum will be imposed on the outstanding amount until full settlement.

The Group considers the investment to carry a moderate level of risk taking into account the guaranteed return and the availability of the put option as a credit enhancement mechanism.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

17. Development rights

	Group	
	2026 RM'000	2025 RM'000
Development rights *	13,500	13,500
Incidental costs ^	5,017	–
	<u>18,517</u>	<u>13,500</u>

* Related to development return paid to the State Government of Johor and City Council of Johor. Following this payment, the Group has fulfilled its payment obligations pursuant to the agreement entered into with the State Government of Johor and the City Council of Johor. Accordingly, the land rights were recognised as development rights in the statement of financial position.

^ During the current financial year, the land title registration was completed and legal ownership was officially transferred to the Group. In relation to the title transfer, incidental costs amounting to RM5,017,000 comprising stamp duties and professional fees which were previously recorded as prepayments have been reclassified and capitalised as part of the land cost under development rights.

18. Trade and other receivables

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade receivables				
Third parties	13,194	382	–	–
Allowance for impairment	(190)	–	–	–
Trade receivables, net	<u>13,004</u>	<u>382</u>	<u>–</u>	<u>–</u>
Other receivables				
Deposits	1,272	3,067	–	–
Due from Berjaya Waterfront Sdn. Bhd.	–	21,018	–	–
Due from subsidiaries	–	–	148	1,005
Sundry receivables	3,288	1,729	21	429
Allowance for impairment	(161)	(161)	–	–
Other receivables, net	<u>4,399</u>	<u>25,653</u>	<u>169</u>	<u>1,434</u>
Total trade and other receivables	17,403	26,035	169	1,434
Add: Cash and bank balances (Note 22)	107,370	230,357	15,775	103,401
Total financial assets at amortised cost	<u>124,773</u>	<u>256,392</u>	<u>15,944</u>	<u>104,835</u>

Trade receivables are non-interest bearing and are generally on 14 to 120 days' (2025: 14 to 90 days') terms. Other credit terms are assessed and approved on a case-by-case basis.

Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

18. Trade and other receivables (cont'd)

Due from Berjaya Waterfront Sdn. Bhd. ("BWSB")

The amount due from BWSB is related to the uncollected portion of the sale consideration for the Group's interests over leasehold properties in the Zon Johor Bahru, which was completed in March 2013. The amount is guaranteed by BWSB's holding company.

On 18 June 2025, the Group received the balance due from BWSB of RM20.0 million together with interest accrued up to 17 June 2025. Accordingly, the amount due from BWSB had been fully repaid.

Ageing analysis of trade receivables

	Group	
	2026	2025
	RM'000	RM'000
Neither past due nor impaired	8,877	349
1 to 30 days past due not impaired	3,202	3
31 to 60 days past due not impaired	207	30
61 to 90 days past due not impaired	718	–
Past due but not impaired	4,127	33
Impaired	190	–
	13,194	382

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired	
	Group	
	2026	2025
	RM'000	RM'000
Trade receivables – nominal amounts	190	–
Less: Allowance for impairment	(190)	–
	–	–
Movement in allowance account:		
At 1 March	–	–
Acquisition	70	–
Charge for the year	120	–
At 28 February	190	–

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

18. Trade and other receivables (cont'd)

Other receivables that are impaired

The Group's other receivables that are impaired at the end of the reporting period and the movement of the allowance account used to record the impairment are as follows:

	Individually impaired Group	
	2026	2025
	RM'000	RM'000
Other receivables – nominal amounts	161	161
Less: Allowance for impairment	(161)	(161)
	<u>–</u>	<u>–</u>
Movement in allowance account:		
At 1 March and 28 February	<u>161</u>	<u>161</u>

Receivables that are impaired

Trade and other receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in legal dispute or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The Group has provided for lifetime expected credit losses for all trade receivables using a provision matrix. Please refer to Note 34(a).

19. Deferred tax assets/(liabilities)

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
At 1 March	1,786	1,666	(2,026)	(1,800)
Acquisition	(3,670)	–	–	–
Recognised in profit or loss	(8,152)	120	(404)	(226)
At 28 February	<u>(10,036)</u>	<u>1,786</u>	<u>(2,430)</u>	<u>(2,026)</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	1,159	7,637	–	–
Deferred tax liabilities	(11,195)	(5,851)	(2,430)	(2,026)
Net deferred tax (liabilities)/assets	<u>(10,036)</u>	<u>1,786</u>	<u>(2,430)</u>	<u>(2,026)</u>

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

19. Deferred tax assets/(liabilities) (cont'd)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unutilised tax losses and unabsorbed capital allowances RM'000	Lease liabilities RM'000	Total RM'000
At 1 March 2024	2,542	24,579	27,121
Recognised in profit or loss	(1,140)	(1,130)	(2,270)
At 28 February 2025 and 1 March 2025	1,402	23,449	24,851
Acquisition	47	276	323
Recognised in profit or loss	(913)	(23,010)	(23,923)
At 28 February 2026	536	715	1,251

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Others RM'000	Total RM'000
At 1 March 2024	(4,454)	(19,774)	(1,227)	(25,455)
Recognised in profit or loss	568	1,865	(43)	2,390
At 28 February 2025 and 1 March 2025	(3,886)	(17,909)	(1,270)	(23,065)
Acquisition	(6,722)	(370)	3,099	(3,993)
Recognised in profit or loss	(620)	17,429	(1,038)	15,771
At 28 February 2026	(11,228)	(850)	791	(11,287)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2026 RM'000	2025 RM'000
Unutilised tax losses	254,214	249,817
Unabsorbed capital allowances	51,669	48,152
Other deductible temporary differences	114,916	105,318
Lease liabilities	11	262
	420,810	403,549

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

19. Deferred tax assets/(liabilities) (cont'd)

At the end of the reporting year, the Group has unutilised tax losses of RM254,214,000 (2025: RM 249,817,000) and unabsorbed capital allowances of RM51,669,000 (2025: RM 48,152,000) for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The expiry of the unutilised tax losses and unabsorbed capital allowances that are available for offset against future taxable profits of the respective companies within the Group in which the losses arose, subject to the agreement of the taxation authorities and compliance with certain provisions in the tax legislation of the respective countries in which the companies operate are as follows:

	Group	
	2026	2025
	RM'000	RM'000
With no expiry	51,694	48,512
Within 5 years	247,945	237,717
Within 6 to 10 years	18,008	13,096
	<u>317,647</u>	<u>299,325</u>

20. Prepayments

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Current:				
Prepaid other operating expenses, representing total prepayments	<u>1,589</u>	<u>7,063</u>	<u>–</u>	<u>–</u>

21. Inventories

	Group	
	2026	2025
	RM'000	RM'000
Statement of financial position:		
Raw materials	23,969	–
Work in progress	5,939	–
Finished goods	1,571	–
Trading goods	47,276	64,934
Consumables	8	140
Total inventories at lower of cost and net realisable value	<u>78,763</u>	<u>65,074</u>
Consolidated income statement:		
Inventories recognised as an expense in cost of sales	135,284	105,962
Inventories recognised as an expense in other expenses		
Inclusive of the following charge:		
- (Reversal of)/provision for inventories written down	<u>(389)</u>	<u>542</u>

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

22. Cash and bank balances

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Cash at banks and on hand	83,728	39,933	2,956	17,121
Deposits with licensed banks	23,642	190,424	12,819	86,280
	107,370	230,357	15,775	103,401

Deposits with licensed banks of the Group amounting to RM10,823,000 (2025: RM7,444,000) are pledged to banks for credit facilities granted to certain subsidiaries. The remaining deposits with licensed banks are readily convertible to cash and are subject to insignificant risk of changes in value and earn interest at the respective deposit rates. The weighted average effective interest rate of the deposits as at 28 February 2026 for the Group and the Company were 1.79% (2025: 3.29%) and 1.87% (2025: 3.31%) per annum respectively.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Cash and deposits with licensed banks	107,370	230,357	15,775	103,401
Deposits pledged with licensed banks	(10,823)	(7,444)	–	–
Cash and cash equivalents	96,547	222,913	15,775	103,401

Cash and short term deposits denominated in foreign currencies at the end of reporting period are as follows:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Singapore Dollar (SGD)	12,059	12,885	12,033	12,830
United States Dollar (USD)	1,723	3,782	1,358	3,150

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

23. Borrowings

		Group	
	Maturity	2026 RM'000	2025 RM'000
Current			
Secured:			
- Bankers' acceptances	FY2027	1,160	–
- Revolving credit	FY2027	3,558	–
- Term loan	FY2027	1,698	–
		6,416	–
Non-current			
Secured:			
- Term loan	FY2028 – FY2032	7,064	–
Total loan and borrowings		13,480	–

Bankers' acceptances

Bankers' acceptances are denominated in RM with effective interest rate of 4.14% p.a. (2025: Nil).

Revolving credit

Revolving credit are denominated in RM with weighted average effective interest rate of 4.21% p.a. (2025: Nil).

Term loan

Short term loans are denominated in RM with effective interest rate of 4.52% p.a. (2025: Nil).

The borrowings are secured by way of:

- deposits with licensed banks amounting to RM3,228,000 (2025: Nil)
- fixed charges on certain properties of the United Industries Group with a net carrying amount of RM15,873,000 (2025: Nil); and
- corporate guarantees from holding company, Atlan.

Other information on financial risks of borrowings is disclosed in Note 34.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

23. Borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	2025	Cash flows	Non-cash changes				2026
			Acquisition	Additions	Interest expense	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Borrowings	–	(1,990)	15,470	–	–	–	13,480
Lease liabilities	100,157	(12,338)	850	2,086	6,010	(91,156)	5,609
	100,157	(8,438)	16,320	2,086	6,010	(97,046)	19,089

	2024	Cash flows	Non-cash changes				2025
			Acquisition	Additions	Interest expense	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	104,367	(11,132)	–	948	6,771	(797)	100,157

The 'other' column relates to the modification or termination of lease.

24. Trade and other payables

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	21,158	11,166	–	–
Other payables				
Accruals	9,186	5,643	933	894
Accrued payroll related expenses	8,611	1,337	–	–
Rental payables	30	348	–	–
Deposit received from customer	6,093	–	–	–
Other deposits received	4,505	3,145	–	–
Royalty payables	1,498	60	–	–
Due to subsidiary	–	–	57,559	–
Sundry payables	6,043	852	2	175
Other payables, net	35,966	11,385	58,494	1,069
Total trade and other payables	57,124	22,551	58,494	1,069
Add: Borrowings (Note 23)	13,480	–	–	–
Total financial liabilities carried at amortised cost	70,604	22,551	58,494	1,069

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

24. Trade and other payables (cont'd)

Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 120 days (2025: 30 to 90 days).

Trade payables denominated in foreign currencies are as follows:

	Group	
	2026	2025
	RM'000	RM'000
Great Britain Pound (GBP)	–	357
United States Dollar (USD)	301	4,858
Japanese Yen (JPY)	35	–
Chinese Yuan (CNY)	170	–
Thai Baht (THB)	1,891	–
Indonesia Rupiah (IDR)	1,004	–

Further details on related party transactions are disclosed in Note 32.

Other information on financial risks of trade and other payables are disclosed in Note 34.

25. Employee benefits

The Group's defined benefit plan is unfunded and is only applicable to employees who are in the scope of the two Collective Agreements signed between the National Union of Transport Equipment and Allied Industries Workers and 3 subsidiaries of the Group.

The latest signed Collective Agreements are for the period from 1 March 2020 to 28 February 2023 and they shall subsist until superseded by new Collective Agreements.

Based on the latest signed Collective Agreements, employees who retire upon reaching the optional retirement age of 55 up to the mandatory retirement age of 60, retire on medical grounds as certified by the appointed Company Doctor, or employees who pass away while in the employ of the Group are eligible to receive the retirement benefit. This retirement benefit ceases with effect from 31 December 2016 and the benefit shall be calculated up to 31 December 2016 for eligible employees upon the employees retiring on attaining the retirement age.

The same Collective Agreements stated that in place of the above retirement benefit, eligible employee shall receive an additional 1% based on their basic salary, in respect of the Group's contribution to the Employees Provident Fund.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

25. Employee benefits (cont'd)

- (a) The amount recognised in the statements of financial position are determined as follows:

	Group	
	2026	2025
	RM'000	RM'000
Present value of unfunded obligations, representing recognised liability for defined benefit obligations	1,771	–
<i>Analysis of present value of employee benefits:</i>		
<i>Current</i>		
- Not later than 1 year	655	–
<i>Non-current</i>		
- Later than 1 year and not later than 2 years	142	–
- Later than 2 year and not later than 5 years	311	–
- More than 5 years	663	–
	1,116	–
Total employee benefits	1,771	–

- (b) Movement in the net liability recognised in the statements of financial position:

	Group	
	2026	2025
	RM'000	RM'000
At 1 March	–	–
Acquisition	1,863	–
Benefits paid	(92)	–
At 28 February	1,771	–

- (c) Principal actuarial assumptions used at the reporting date (expressed as weighted average):

	Group	
	2026	2025
	%	%
Discount rate	4.0	–

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

25. Employee benefits (cont'd)

- (d) A quantitative sensitivity analysis of the change in the rates as at 28 February 2026 and 29 February 2025 is shown below:

	Increase/ (decrease) %	Group Impact on defined benefit obligations	
		2026 RM'000	2025 RM'000
Discount rate	1.0	(50)	–
Discount rate	(1.0)	50	–

- (e) The expected benefit payments in future years are as follows:

	Group	
	2026 RM'000	2025 RM'000
- Not later than 1 year	655	–
- Later than 1 year and not later than 5 years	509	–
- Later than 5 year and not later than 10 years	628	–
- More than 10 years	367	–
	2,159	–

26. Provision for restoration costs

	Group	
	2026 RM'000	2025 RM'000
At 1 March	704	704
Utilised during the year	(159)	–
Reversal during the year	(545)	–
At 28 February	–	704
Analysis of present value of restoration costs:		
Later than 1 year and not later than 2 years	–	32
More than 5 years	–	672
	–	704
Non-current	–	704

Provision for restoration costs is recognised when the Group entered into a lease agreement for the premises and represents the estimated costs of asset dismantlement, removal or restoration of premises. The premises, which are capitalised and included in right-of-use assets and property, plant and equipment, shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

26. Provision for restoration costs (cont'd)

The provision was related to the lease arrangement for the premises in Johor Bahru. During the financial year, restoration costs of RM159,000 were incurred following the lease termination due to the non-renewal of business licences (Note 38(c)). Accordingly, the remaining provision of RM545,000 was fully reversed.

27. Derivatives

Group	2026			2025		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Forward currency contracts	-	-	-	869	14	1
Current		-	-		14	1

Forward currency contracts

The Group uses forward foreign exchange contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The derivatives represent total financial assets at fair value through profit or loss, classified as held for trading.

28. Right-of-use assets and lease liabilities

Group as a lessor

The Group has entered into operating leases on its land use rights, buildings and advertisement space. These leases have terms of less than 1 year to 3 years. Rental income recognised by the Group during the year is RM578,000 (2025: RM495,000).

Future minimum rentals receivable under non-cancellable operating lease are as follows:

	Land use rights RM'000	Building RM'000	Advertisement space RM'000	Total RM'000
At 28 February 2026				
Within one year	66	2,507	-	2,573
Later than 1 year and not later than 5 years	132	5,074	-	5,206
	198	7,581	-	7,779
At 28 February 2025				
Within one year	80	32	17	129

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

28. Right-of-use assets and lease liabilities (cont'd)

Group as a lessee

The Group has lease contracts for leasehold land, land use rights, buildings (office premises, retail outlets, warehouse, staff quarters) and office equipment used for its operations. Leased premises generally have lease terms of 1 to 18 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning or subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Leasehold land RM'000	Land use rights RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
At 1 March 2025	12,862	10,562	75,244	4	98,672
Acquisition	–	–	820	–	820
Additions	–	–	2,086	–	2,086
Depreciation charge for the year	(257)	(648)	(7,216)	(3)	(8,124)
Termination of lease	–	–	(67,862)	(1)	(67,863)
Impairment losses	–	–	(322)	–	(322)
At 28 February 2026	12,605	9,914	2,750	–	25,269
At 1 March 2024	13,343	13,050	81,888	8	108,289
Additions	–	–	1,056	–	1,056
Depreciation charge for the year	(262)	(682)	(7,624)	(4)	(8,572)
Termination of lease	–	(2,666)	(76)	–	(2,742)
Impairment losses	(219)	–	–	–	(219)
Modification	–	860	–	–	860
At 28 February 2025	12,862	10,562	75,244	4	98,672

Please refer to Note 11(c) to the financial statements for details on the impairment assessment of the right-of-use assets.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

28. Right-of-use assets and lease liabilities (cont'd)

Group as a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	
	2026	2025
	RM'000	RM'000
At 1 March	100,157	104,367
Accretion of interest	6,010	6,771
Acquisition	850	–
Additions	2,086	947
Modification	–	70
Termination of lease	(91,156)	(866)
Payments	(12,338)	(11,132)
At 28 February	5,609	100,157
Current	1,467	6,625
Non-current	4,142	93,532

The maturity analysis of lease liabilities are disclosed in Note 34(b).

The following are the amount recognised in profit or loss:

	Group	
	2026	2025
	RM'000	RM'000
Depreciation expense of right-of-use assets	8,124	8,572
Gain from lease modification	–	(790)
(Gain)/loss on lease termination	(23,293)	1,876
Impairment loss on right-of-use assets	322	219
Interest expense on lease liabilities	6,010	6,771
Expenses relating to short-term leases	1,083	521
Variable lease payments (included in rental of premises)	380	52
Total amount recognised in profit or loss	(7,374)	17,221

The Group had total cash outflows for leases of RM13,801,000 in 2026 (2025: RM 11,705,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of RM2,086,000 in 2026 (2025: RM947,000).

The future cash outflows which are not capitalised in lease liabilities:

Variable lease payments

The Group has lease contracts for retail stores that contain variable lease payments based on a percentage of sales generated by the stores, on top of fixed payments. Such variable lease payments are recognised in profit or loss when incurred and amounted to RM380,000 (2025: RM52,000) for the financial year ended 28 February 2026.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

29. Share capital

	Number of ordinary shares		Amount	
	2026 '000	2025 '000	2026 RM'000	2025 RM'000
Group				
At 1 March and 28 February	1,198,200	1,198,200	487,903	487,903
Company				
At 1 March and 28 February	1,198,200	1,198,200	978,725	978,725

The difference in the share capital amount of the Group and the Company arose as a result of the acquisition of DFZ Capital Sdn. Bhd. and Darul Metro Sdn. Bhd. and their subsidiaries in a reverse take-over exercise by the Company during the financial year ended 28 February 2011.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(a) Other reserves

		Group	
		2026 RM'000	2025 RM'000
Group			
Foreign currency translation reserve	(i)	685	673
Premium paid on acquisition of non-controlling interests	(ii)	(178,818)	(178,818)
Gain on reissuance of treasury shares	(iii)	661	661
Merger reserve	(iv)	(84,175)	–
Capital reserve		–	1,033
		<u>(261,647)</u>	<u>(176,451)</u>
Company			
Other reserves		<u>661</u>	<u>661</u>

(i) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(ii) Pursuant to the MGO ("Compulsory Acquisition") exercise undertaken by the Company, the difference between the carrying amount of non-controlling interests at the point of acquisition and the consideration paid was reflected as premium paid. The Compulsory Acquisition was completed on 1 April 2011.

This reserve also includes the excess of the consideration received over the carrying value of the equity interest acquired from non-controlling interests.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

29. Share capital (cont'd)

(a) Other reserves (cont'd)

- (iii) This represents the gain arising from the sale of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.
- (iv) This represents the difference between the consideration transferred and the carrying amount of the net assets acquired of the United Industries Group arising from a business combination under common control with such difference recognised directly in equity as merger reserve.

(b) Share premium

Share premium represents the excess of consideration received from the issue of shares over the nominal (par) value, which is based on the Companies Act 1965 (Malaysia). This is presented in the consolidated financial statements consistent with reverse acquisition accounting principles, which reflect the equity balances of DFZ Capital Sdn. Bhd. and Darul Metro Sdn. Bhd.. On 31 January 2017, the Companies Act 2016 (Malaysia's CA2016) came into force. As a result, the share premium was reclassified to share capital balances.

(c) Treasury shares

Treasury shares relate to ordinary shares of the Company that is held by the Company.

30. Commitments

Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2026	2025
	RM'000	RM'000
Property, plant and equipment	5,811	3,127

31. Contingent liabilities

	Company		Group	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Corporate guarantees for borrowings and banking facilities to certain subsidiaries	–	11,650	40,380	44,765

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

32. Related party disclosures

An entity or individual is considered a related party of the Group for the purpose of the financial statements if: i) it possesses the ability, directly or indirectly, to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or ii) it is subject to common control.

(a) Significant transactions

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties, who were not members of the Group, took place at terms agreed between the parties during the financial year:

	Group	
	2026	2025
	RM'000	RM'000
<i>Related companies:</i>		
- Management fee **	2,500	5,000
<i>Related party:</i>		
- Donation to Yayasan Harmoni *	200	1,150

* The Non-Executive Chairman of the Company is the founder and executive chairman of Yayasan Harmoni.

** Management fees were made according to negotiated prices between the parties.

Information regarding outstanding balances arising from related party transactions as at 28 February 2026 and 28 February 2025 are disclosed in Note 18 and Note 24.

(b) Compensation of key management personnel

The remuneration of certain directors and other members of key management during the year are as follows:

	Group	
	2026	2025
	RM'000	RM'000
Short-term employee benefits	1,290	1,471
Defined contribution plan	137	175
	1,427	1,646
Comprise amounts paid to:		
Directors of the Company	209	378
Other key management personnel	1,218	1,268
	1,427	1,646

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

33. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair values

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant observable inputs other than quoted prices (Level 2) RM'000	Significant un-observable inputs (Level 3) RM'000	Total RM'000
Group				
At 28 February 2026				
Financial assets:				
- Investment in structured note (Note 16)	–	–	12,560	12,560
Non-financial assets:				
- Biological assets (Note 13)	–	–	209	209
At 28 February 2025				
Assets measured at fair value				
Financial assets:				
Derivatives (Note 27)				
- Forward currency contracts	–	14	–	14
Non-financial assets:				
- Biological assets (Note 13)	–	–	213	213
Financial liabilities:				
Derivative (Note 27)				
- Forward currency contracts	–	(1)	–	(1)

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

33. Fair value of assets and liabilities (cont'd)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Forward currency contracts (Note 27): Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

(d) Level 3 fair value measurements

The following is a description of the fair value measurements using significant unobservable inputs (Level 3):

Biological assets (Note 13): The fair values of bearer fruits are determined by using the total sales figure in the following month with the assumptions of all the fruits harvested are sold subsequently to the customer.

Investment in structured note (Note 16): The fair value is determined by reference to the net asset value of the underlying portfolio, adjusted for movements in the underlying index, together with interest accrued at the contractual rate of 6% per annum to the end of the reporting period. The valuation is based on information, including the adjusted net asset value and asset under management, provided and confirmed by the issuer of the structured note. The underlying index is not quoted in an active market and is not publicly observable.

34. Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

34. Financial risk management objectives and policies (cont'd)

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits, derivatives and investment in structured note), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all borrowers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the customer
- Significant increases in credit risk on other financial instruments of the same customer
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of borrowers in the group and changes in the operating results of the customer

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

A summary of the Group's basis for recognition of the Group's expected credit loss ("ECL") for trade receivables and other receivables, including amount due from Berjaya Waterfront Sdn. Bhd., are as follows:

Assets classifications	Basis for recognition of expected credit loss provision
Trade receivables	Lifetime ECL (simplified approach)
Other receivables	12-month ECL
Due from Berjaya Waterfront Sdn. Bhd.	Lifetime ECL

The gross carrying amount of trade and other receivables are disclosed in Note 18.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 28 February 2026 and 28 February 2025 incorporates forward looking information such as forecast of economic conditions and determined that other than a loss allowance provision of RM190,000 (2025: Nil), the ECL is insignificant.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix.

	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
28 February 2026					
Gross carrying amount	8,877	3,202	207	908	13,194
Loss allowance provision	–	–	–	(190)	(190)
28 February 2025					
Gross carrying amount	349	3	30	–	382

Other receivables

For other receivables including amount due from Berjaya Waterfront Sdn. Bhd., the Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in. The Group measured the impairment loss allowance using general approach of ECL and determined that other than a loss allowance provision of RM161,000 (2025: RM161,000), the ECL is insignificant

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM40,380,000 (2025: RM44,765,000) relating to a corporate guarantee provided by the Group to banks on subsidiaries' bank borrowing.
- A nominal amount of RM Nil (2025: RM11,650,000) relating to a corporate guarantee provided by the Company to a bank on a subsidiary's bank borrowing.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 18.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk (cont'd)

The Group does not have any significant exposure to any individual customer or counterparty except for the amount due from Berjaya Waterfront Sdn. Bhd. as described in Note 18. However, during the financial year, this balance was fully paid by Berjaya Waterfront Sdn. Bhd. and accordingly, there is no significant exposure to any individual customer or counterparty for the year ended 28 February 2026.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The concentration of credit risk profile of the Group's trade receivables as at the reporting date is as follows:

	Group		Group	
	2026		2025	
	RM'000	% of total	RM'000	% of total
<i>By business segments:</i>				
Trading of duty free and duty paid goods and non-dutiable merchandise	322	2%	382	100%
Manufacturing and supplying of automotive component parts	12,682	98%	–	–
	13,004	100%	382	100%

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

(b) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

As at 28 February 2026, the Group's holding of cash and cash equivalents amounting to RM96,547,000 (2025: RM222,913,000) are expected to be sufficient for working capital purposes as well as meet its on-going financial commitments in the next financial year.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

34. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted obligations.

	2026				2025			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Financial assets								
Trade and other receivables	17,403	–	–	17,403	26,035	–	–	26,035
Cash and bank balances	107,370	–	–	107,370	230,357	–	–	230,357
Forward currency contracts	–	–	–	–	14	–	–	14
Investment in structured note	–	12,560	–	12,560	–	–	–	–
Total undiscounted financial assets	124,773	12,560	–	137,333	256,406	–	–	256,406
Financial liabilities								
Trade and other payables	57,124	–	–	57,124	22,551	–	–	22,551
Borrowings	6,818	6,902	952	14,672	–	–	–	–
Forward currency contracts	–	–	–	–	1	–	–	1
Lease liabilities	1,599	1,737	3,161	6,497	13,035	55,860	80,161	149,056
Total undiscounted financial liabilities	65,541	8,639	4,113	78,293	35,587	55,860	80,161	171,608
Total net undiscounted financial assets/ (liabilities)	59,232	3,921	(4,113)	59,040	220,819	(55,860)	(80,161)	84,798

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

34. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	2026			2025		
	One year or less RM'000	One to five years RM'000	Total RM'000	One year or less RM'000	One to five years RM'000	Total RM'000
Company						
Financial assets						
Trade and other receivables	169	–	169	1,434	–	1,434
Cash and bank balances	15,775	–	15,775	103,401	–	103,401
Investment in structured note	–	12,560	12,560	–	–	–
Total undiscounted financial assets	15,944	12,560	28,504	104,835	–	104,835
Financial liabilities						
Trade and other payables	58,494	–	58,494	1,069	–	1,069
Total undiscounted financial liabilities	58,494	–	58,494	1,069	–	1,069
Total net undiscounted financial (liabilities)/assets	(42,550)	12,560	(29,990)	103,766	–	103,766

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

Corporate guarantees	–	–	–	11,650	–	11,650
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(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing borrowings. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10 (2025: 10) basis points lower with all other variables held constant, the Group's and the Company's profit before tax would have been RM18,000 and RM10,000 lower/higher (2025: profit before tax would have been RM145,000 and RM66,000 lower/higher) respectively, arising mainly as a result of the net of lower interest expense on fixed and floating rate loans and borrowings and lower interest income from deposit. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. Interest rates of 10 basis point higher would have had equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

34. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the operations to which they relate, primarily United States Dollars ("USD"), Singapore Dollar ("SGD"), Japanese Yen ("JPY"), Thai Baht ("THB") and Indonesia Rupiah ("IDR"). Approximately 31% (2025: 33%) of the Group's purchases are denominated in foreign currencies. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and cash balances denominated in USD and SGD for working capital purposes as at the end of the reporting period.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, SGD, GBP, THB, IDR and CNY exchange rates against the functional currency of the Group entities, with all other variables held constant.

		Increase/(decrease) Profit before tax	
		2026	2025
		RM'000	RM'000
USD/RM	- strengthened 3%	(76)	25
	- weakened 3%	76	(25)
SGD/RM	- strengthened 3%	(362)	(385)
	- weakened 3%	362	385
GBP/RM	- strengthened 3%	–	11
	- weakened 3%	–	(11)
THB/RM	- strengthened 3%	57	–
	- weakened 3%	(57)	–
IDR/RM	- strengthened 3%	30	–
	- weakened 3%	(30)	–
CNY/RM	- strengthened 3%	5	–
	- weakened 3%	(5)	–

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

35. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year under review.

The Group monitors capital using a gearing ratio, which is total external debt divided by total equity.

The Group's ensure that the gearing ratio shall not be more than 2.00 times to comply with covenants from its borrowings.

The Group includes within total external debt, all financial borrowings of the Group. Total external debt due and payable within 12 months consists of bankers' acceptances, term loans, revolving credit and interest payable. Capital includes equity attributable to the owners of the parent.

	Group	
	2026 RM'000	2025 RM'000
Borrowings (non-current) (Note 23)	7,064	–
Borrowings (current) (Note 23)	6,416	–
Total external debt	13,480	–
Total equity attributable to the owners of the Company	305,566	374,427
Gearing ratio (times)	0.04	–

36. Segment information

(a) Operating segments

For management purposes, the operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's risks and rates of return are affected predominantly by differences in the products and services produced. The Group has the following reportable operating segments:

(i) *Trading of duty free goods and non-dutiable merchandise*

This segment includes revenues from sale of goods.

(ii) *Manufacturing and supplying of automotive component parts*

This segment includes revenues from sale of goods.

(iii) *Investment holding and others*

This segment includes revenues from sale of oil palm fresh fruit bunches.

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented. The Group has no major customers.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

36. Segment information (cont'd)

(b) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The directors are of the opinion that transfer prices between operating segments are based on negotiated prices. Segment revenue, expenses and results include transfers between operating segments. These transfers are eliminated on consolidation.

Operating segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

	Trading of duty free and duty paid goods and non-dutiable merchandise		Manufacturing and supplying of automotive component parts		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	12 months ended 28 February		12 months ended 28 February		12 months ended 28 February		12 months ended 28 February			12 months ended 28 February	
	2026	2025	2026	2025	2026	2025	2026	2025		2026	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue											
Sales to external customers	137,597	151,902	72,502	–	2,503	3,198	–	–		212,602	155,100
Inter-segment sales	–	–	–	–	51,327	28,743	(51,327)	(28,743)	A	–	–
Total revenue	137,597	151,902	72,502	–	53,830	31,941	(51,327)	(28,743)		212,602	155,100
Results											
Interest income	2,455	2,693	300	–	3,036	5,404	(225)	–		5,566	8,097
Miscellaneous income	26,305	2,467	110	–	330	1,259	(462)	(912)		26,283	2,814
Compensation received from Compulsory Land Acquisition	–	67,800	–	–	–	1,810	–	–		–	69,610
Depreciation and amortisation	(9,403)	(11,031)	(2,984)	–	(1,506)	(1,443)	400	958		(13,493)	(11,516)
Finance costs	(6,068)	(6,983)	(237)	–	(134)	–	184	159		(6,255)	(6,824)
Other non-cash income/(expenses)	24,562	(577)	479	–	(1,765)	(8,548)	(910)	(63)	B	22,366	(9,188)
Segment profit/(loss)	30,502	61,539	10,417	–	45,771	24,046	(51,268)	(28,047)	C	35,422	57,538
Assets											
Additions to non-current assets	1,342	1,062	2,461	–	71	29	–	–	D	3,874	1,091
Segment assets	102,662	297,275	167,421	–	123,847	196,790	2,336	10,618	E	396,266	504,683
Segment liabilities											
	8,039	118,829	63,688	–	6,257	4,584	12,158	6,688	F	90,142	130,101

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

36. Segment information (cont'd)

Operating segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation.
- B Other material non-cash income/expenses consist of impairment loss on property, plant and equipment, right-of-use assets and trade and other receivables, property, plant and equipment, right-of-use assets and bad debts written off, lease termination, lease modifications, provision for/reversal of inventories written down and net unrealised foreign exchange gain/loss as presented in the respective notes to the financial statements.
- C The following item is deducted from segment result to arrive at profit before tax presented in the income statement:

	2026 RM'000	2025 RM'000
Inter-segment transactions	(51,268)	(28,047)

- D Additions to non-current assets consist of:

	2026 RM'000	2025 RM'000
Property, plant and equipment	3,874	1,091

- E The following items were added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2026 RM'000	2025 RM'000
Deferred tax assets	1,159	7,637
Tax recoverable	1,177	2,981
	2,336	10,618

- F The following items were added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2026 RM'000	2025 RM'000
Deferred tax liabilities	11,195	5,851
Income tax payable	963	837
	12,158	6,688

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

37. Dividends

	<i>Group and Company</i>	
	2026	2025
	RM'000	RM'000
Declared and paid/payable during the financial year:		
Dividends on ordinary shares:		
- First interim one tier tax exempt dividend for 2026: S\$0.00165 (2025: S\$0.0010) cents per share	6,522	4,039
- Second interim one tier tax exempt dividend for 2026: Nil (2025: S\$0.0055) cents per share	–	21,715
	<u>6,522</u>	<u>25,754</u>

38. Significant and subsequent events

- (a) On 10 September 2024, the Company announced that its wholly-owned subsidiary, Kelana Megah Sdn. Bhd. ("KMSB"), had entered into a conditional joint development agreement ("Agreement") with Chin Hin Property (Stulang) Sdn. Bhd. ("CHPSSB"), to undertake a joint development on a parcel of leasehold land held under H.S.(D) 605698, Lot No. PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor measuring approximately 17,342 square meters (equivalent to approximately 186,668 square feet) ("Land").

Subject to the necessary approvals to be obtained for the Proposed Joint Development (as defined below), KMSB and CHPSSB will collaborate to develop two blocks comprising 1,260 serviced apartment units, 10 retail lots, and multiple levels of parking on the Land ("Proposed Joint Development").

Pursuant to the Agreement, KMSB, being the joint developer of the Land, shall be entitled to 18.0% of the total net saleable area of the Proposed Joint Development ("KMSB's Entitlement"). The Proposed Joint Development is estimated by CHPSSB to have a gross development value of RM478.42 million and gross development cost of RM406.42 million, and accordingly, the value of KMSB's Entitlement is estimated at RM83.57 million.

On 19 March 2025, the proposed joint development was duly approved by the Company's shareholders at the Extraordinary General Meeting.

Pursuant to the Agreement, the Proposed Joint Development is conditional upon the fulfilment of the conditions precedent within a period of nine (9) months from the date of the Agreement, i.e. by 9 June 2025, or such further period as may be mutually agreed by the parties ("Conditional Period").

As the conditions precedent were not fully satisfied by the expiry date of the Conditional Period, KMSB and CHPSSB had on 9 June 2025 entered into a Supplemental Letter to the Agreement ("Supplemental Letter") to extend the Conditional Period for an additional six months, commencing from 10 June 2025 and expiring on 9 December 2025. Subsequently, as the conditions precedent remained unsatisfied upon the expiry on 9 December 2025, KMSB and CHPSSB agreed to further extend the Conditional Period for another six months, commencing from 10 December 2025 and expiring on 9 June 2026.

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

38. Significant and subsequent events (cont'd)

- (b) On 21 July 2025, the Company announced that it had entered into a Share Sale and Purchase Agreement ("SSA") with Atlan Holdings Bhd. (the "Vendor") to acquire 37,700,000 ordinary shares (the "Sale Shares"), representing 100% of the issued and paid-up shares capital of United Industries Holdings Sdn. Bhd. (the "Target" and together with its subsidiaries, the "Target Group") for an aggregate consideration of RM175,000,000 ("Purchase Consideration"), (the "Proposed Acquisition"), subject to the terms and conditions set out in the SSA.

The Proposed Acquisition constituted as both an "Interested Person Transaction" and a "Major Transaction" under the SGX-ST Listing Manual. The Vendor, as the sole shareholder of the Target and a controlling shareholder of the Company, was deemed an interested person under Rule 904(4)(a) of the Listing Manual. The Proposed Acquisition would also diversify the Company's core business into the manufacturing and supply of automotive components (the "Proposed Diversification").

The Purchase Consideration was arrived on a willing-buyer willing-seller basis, based on the valuation of the Sale Shares conducted by an independent valuer as at 31 May 2025. The Purchase Consideration was to be satisfied in cash and funded through the Group's internal resources, including proceeds from placement exercises completed in 2016 and 2017. A refundable deposit of RM17,500,000, representing 10% of the Purchase Consideration was paid upon execution of the SSA. The remaining RM157,500,000, representing 90% of the Purchase Consideration was to be paid to the Vendor on completion of the sale and purchase of the Sale Shares in accordance with the SSA.

Both the Proposed Acquisition and the Proposed Diversification were approved by shareholders at an Extraordinary General Meeting ("EGM") convened on 28 October 2025. Following shareholders' approval and the fulfilment of all Conditions Precedent, the Proposed Acquisition was completed on 31 October 2025 (Note 15).

- (c) On 19 February 2026, the Company announced that its subsidiary, Selasih Eksklusif Sdn. Bhd. ("Selasih") has ceased its duty-free operations at the integrated commercial duty-free complex, known as Berjaya Waterfront Johor Bahru ("the Complex") and had served notice to terminate the Tenancy Agreement dated 15 March 2013 with Berjaya Waterfront Sdn. Bhd. ("Berjaya") with immediate effect.

Selasih had to cease its duty-free business operations at the Complex following Majlis Bandaraya Johor Bahru ("MBJB") non-renewal of the business licences despite Selasih's repeated efforts to renew the same.

As Selasih is unable to lawfully operate its core duty-free business at the Complex without the requisite licences, it has, after seeking legal advice, exercised its right under the Tenancy Agreement to issue a notice to Berjaya terminating the tenancy of the Complex with effect from 19 February 2026. The termination was made on the grounds, inter-alia, that the non-renewal of its business licences had rendered Selasih's duty-free business untenable.

Following the termination of the Tenancy Agreement, the Group recognised a one-off exceptional net gain after tax of approximately RM17 million, primarily arising from the termination of lease, net of costs associated with the cessation of the duty-free operations at the Complex (which included assets written off, write-down of inventories and staff retrenchment costs).

Notes to THE FINANCIAL STATEMENTS (cont'd)

For the financial year ended 28 February 2026

39. Material litigation

Alor Setar High Court Suit No. KA-15-3-06/2025 ("Suit 3"): Cergasjaya Properties Sdn Bhd ("Cergasjaya Properties") v 1. Pentadbir Tanah Daerah Kubang Pasu ("PTD"); 2. Pejabat Penasihat Undang-Undang Negeri Kedah

Alor Setar High Court Suit No. KA-15-4-06/2025 ("Suit 4"): Cergasjaya Sdn Bhd ("Cergasjaya") v 1. PTD; 2. Pejabat Penasihat Undang-Undang Negeri Kedah

On 26 September 2024, the wholly-owned subsidiaries of the Company, Cergasjaya and Cergasjaya Properties received the prescribed Forms E and F under the Land Acquisition Act 1960 ("LAA") in relation to the compulsory acquisition of the following lands ("Affected Lands") for a road construction project to connect the Bukit Kayu Hitam ICQS Complex in Kedah to the CIQ Sadao facility in Thailand ("Compulsory Land Acquisition"):

- (i) Lot 1683, Bukit Kayu Hitam, Kubang Pasu District, Kedah, measuring 4.44 acres ("Lot 1683"), held by Cergasjaya under a direct lease from the State of Kedah until 18 November 2072. This land has been given a Retail 6A status under the Free Zone Act 1990. Cergasjaya had conducted its duty-free business and car park operations since 1988 on this land.
- (ii) Lot 61677 (previously PT2209), measuring 2.57 acres ("Lot 61677"), leased by Cergasjaya Properties from the Kedah State Development Corporation (or Perbadanan Kemajuan Negeri Kedah) until 22 November 2053. This land is gazetted as commercial land under the Free Zone Act 1990.

The Compulsory Land Acquisition also injuriously affected 3 other plots of lands i.e., Lot 61678, Lot 3688 and Lot 3689, all of Bukit Kayu Hitam, Kubang Pasu District, Kedah, measuring approximately 768.62 acres, as it resulted in there being no proper access to these lands. These other 3 plots of lands are also leased by Cergasjaya Properties from the Kedah State Development Corporation.

On 6 November 2024, a land acquisition enquiry hearing was conducted and the Land Administrator had made a compensation award of RM67.796 million for Lot 1683 and RM1.8 million for Lot 61677 ("Compensation Sums"). On 12 November 2024, two formal Notices of Award in the prescribed Form H were served on Cergasjaya and Cergasjaya Properties.

On 18 November 2024, the Ministry of Home Affairs of Malaysia or Kementerian Dalam Negeri ("KDN") made payments of the Compensation Sums to Cergasjaya and Cergasjaya Properties respectively in accordance with the compensation awarded under the respective prescribed Forms H. Subsequently, on 21 November 2024 and 24 November 2024, Cergasjaya and Cergasjaya Properties received the respective prescribed Forms K from the Land Administrator in relation to the formal possession of Lot 1683 and Lot 61677. As a result, Cergasjaya had to cease its duty-free business at the Duty Free Complex and car park operations on 25 November 2024 and had vacated the premises thereafter.

As the Group disagreed with the compensation awarded by KDN, on 15 December 2024, Cergasjaya and Cergasjaya Properties filed an objection by way of a land reference to the High Court as per the prescribed Forms N in accordance with section 37 and section 38(1) of LAA to the Land Administrator.

Following the objection, the matters have been referred to the High Court via Forms O dated 29 May 2025 and 1 June 2025 respectively. The reference proceedings are in Suit 4 and Suit 3 respectively. Parties have filed their respective valuation reports, rebuttals, and affidavits and are due to file their respective written submissions by 23 July 2026 with the first hearing date fixed on 26 August 2026. These 2 cases are consolidated and will be heard together.

The solicitors acting for Cergasjaya and Cergasjaya Properties are of the view that the outcome of the land reference proceedings will be determined by the strength of evidence tendered before the Court (including valuation reports and expert's witnesses' reports and affidavit evidence).

Further, the solicitors are of the view that Cergasjaya and Cergasjaya Properties have an arguable case with prospects of success in securing an increase in the compensation awarded by the PTD at the land enquiry.

Notes to **THE FINANCIAL STATEMENTS** (cont'd)

For the financial year ended 28 February 2026

40. Authorisation of financial statements

The financial statements for the financial year ended 28 February 2026 were authorised for issue in accordance with a resolution of the directors on 22 May 2026.

Statistics of SHAREHOLDINGS

As at 12 May 2026

Class of Shares	: Ordinary Share
Number of Issued Shares (excluding treasury shares and subsidiary holdings)	: 1,198,200,293
Issued and fully paid-up capital	: SGD368,279,626
Voting Rights	: One vote per share
Number of Treasury Shares and Percentage	: 30,999,300 (2.52%)
Number of Subsidiary Holdings and Percentage	: Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	174	11.54	2,403	0.00
100 - 1,000	219	14.52	113,370	0.01
1,001 - 10,000	409	27.12	2,080,076	0.17
10,001 - 1,000,000	677	44.90	60,836,761	5.08
1,000,001 AND ABOVE	29	1.92	1,135,167,683	94.74
TOTAL	1,508	100.00	1,198,200,293	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	ATLAN HOLDINGS BHD	905,028,113	75.53
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	113,447,061	9.47
3.	PHILLIP SECURITIES PTE LTD	15,728,188	1.31
4.	DBS NOMINEES (PRIVATE) LIMITED	12,295,896	1.03
5.	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	9,655,950	0.81
6.	RAFFLES NOMINEES (PTE.) LIMITED	8,407,605	0.70
7.	UOB KAY HIAN PRIVATE LIMITED	8,220,730	0.69
8.	MAYBANK SECURITIES PTE. LTD.	7,490,243	0.63
9.	IFAST FINANCIAL PTE. LTD.	6,960,750	0.58
10.	DB NOMINEES (SINGAPORE) PTE LTD	6,593,918	0.55
11.	SOH CHONG CHAI	5,219,080	0.44
12.	ELLPHA INVESTMENTS PTE LTD	4,100,000	0.34
13.	TAN HOCK SEONG	3,359,900	0.28
14.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	2,844,300	0.24
15.	CHAN KENG LOKE	2,500,000	0.21
16.	GOH BEE LAN	2,475,400	0.21
17.	E-FOS SDN BHD	2,472,722	0.21
18.	OCBC SECURITIES PRIVATE LIMITED	2,347,278	0.20
19.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,169,399	0.18
20.	TAN SIEW SENG	2,012,000	0.17
	TOTAL	1,123,328,533	93.78

Statistics of SHAREHOLDINGS

As at 12 May 2026

SUBSTANTIAL SHAREHOLDERS AS AT 12 MAY 2026

(As recorded in the Register of Substantial Shareholders)

NO.	NAME	DIRECT INTERESTS		DEEMED INTERESTS	
		NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
1.	Atlan Holdings Bhd	905,028,113	75.53	–	–
2.	Chesterfield Trust Company Limited as Trustees of The Lim Family Trust ⁽¹⁾	–	–	905,028,113	75.53
3.	Distinct Continent Sdn. Bhd. ⁽²⁾	–	–	905,028,113	75.53
4.	Alpretz Capital Sdn. Bhd. ⁽³⁾	–	–	905,028,113	75.53
5.	Lim Family Holdings Limited ⁽⁴⁾	–	–	905,028,113	75.53
6.	Dato' Sri Adam Sani bin Abdullah ⁽⁵⁾	–	–	905,028,113	75.53
7.	Berjaya Corporation Berhad ⁽⁶⁾	–	–	905,028,113	75.53
8.	Tan Sri Dato' Seri Vincent Tan Chee Yioun ⁽⁷⁾	–	–	905,028,113	75.53

Notes:

- Chesterfield Trust Company Limited as Trustees of The Lim Family Trust is deemed to have interest in the 905,028,113 Shares held by Atlan Holding Bhd ("**Atlan**") 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.
- Distinct Continent Sdn. Bhd. is a substantial shareholder of Atlan. Distinct Continent Sdn. Bhd. is deemed interested in the 905,028,113 Shares held by Atlan by virtue of Section 7 of the Companies Act.
- Alpretz Capital Sdn. Bhd. is a substantial shareholder of Atlan. Alpretz Capital Sdn. Bhd. is deemed interested in the 905,028,113 Shares held by Atlan by virtue of Section 7 of the Companies Act.
- Lim Family Holdings Limited is deemed to have interest in the 905,028,113 Shares held by Atlan through its majority interest in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of Section 7 of the Companies Act.
- Dato' Sri Adam Sani bin Abdullah is deemed to have interest in the 905,028,113 Shares held by Atlan through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust by virtue of himself as the settlor, initial Protector and a primary beneficiary of The Lim Family Trust.
- Berjaya Corporation Berhad ("**BCB**") is deemed interested in the 905,028,113 Shares held by Atlan through its direct and indirect interest totalling 26.55% in Atlan.
- Tan Sri Dato' Seri Vincent Tan Chee Yioun is deemed interested in the 905,028,113 Shares held by Atlan through his interest in BCB. BCB has a direct and indirect interest totalling 26.55% in Atlan. Tan Sri Dato' Seri Vincent Tan Chee Yioun is a major shareholder of BCB.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 12 May 2026, approximately 24.11% of the issued ordinary shares (excluding treasury shares) of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires that at least 10% of the issued ordinary shares (excluding preference shares, convertible equity securities and treasury shares) of the Company in a class that is listed is at all times held in the hands of the public.

Notice of ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Duty Free International Limited (“**Company**”) will be held at Meeting Room 330, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 25 June 2026 at 11:00 a.m. (the “**2026 AGM**”) to transact the following business:

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 28 February 2026 together with the Directors’ Statement and the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Haslin binti Osman who is retiring by rotation pursuant to Regulation 104 of the Company’s Constitution and being eligible, offered herself for re-election, as Director of the Company. **(Resolution 2)**
[See Explanatory Note (i)]
3. To re-elect Sebastian Paul Lim Chin Foo who is retiring pursuant to Regulation 108 of the Company’s Constitution and being eligible, offered himself for re-election, as Director of the Company. **(Resolution 3)**
[See Explanatory Note (i)]
4. To approve the payment of Directors’ remuneration amounting to S\$217,667 for the financial year ended 28 February 2026 (FY2025: S\$203,751). **(Resolution 4)**
[See Explanatory Note (ii)]
5. To re-appoint Messrs. Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting of the Company.

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

7.1 Share Issue Mandate

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a)
 - (i) allot and issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

Notice of ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under subparagraph (1) above, the percentage of issued Shares and Instruments shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Ordinary Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.”

[See Explanatory Note (iii)]

(Resolution 6)

7.2 Renewal of Share Buyback Mandate

“That for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix to the Notice of Annual General Meeting dated 10 June 2026 (“**Appendix**”), in accordance with the authority and limits of the renewed Share Buyback Mandate set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

[See Explanatory Note (iv)]

(Resolution 7)

BY ORDER OF THE BOARD

Thum Sook Fun
Company Secretary

Singapore, 10 June 2026

Notice of ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Ordinary Resolutions 2 and 3 in relation to the re-election of Directors

- (a) Haslin binti Osman will, upon re-election as Director of the Company, continue to serve as Independent Director, Chairman of Remuneration Committee, and a member of the Audit Committee. The Board considers her independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
- (b) Sebastian Paul Lim Chin Foo will, upon re-election as Director of the Company, continue to serve as Non-Independent Non-Executive Director of the Company.

For more information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST), please refer to the sections entitled “**Board of Directors**” and “**Additional Information on Directors seeking re-election**” in the Company’s Annual Report for the financial year ended 28 February 2026 (“**Annual Report 2026**”).

(ii) Ordinary Resolution 4 in relation to the Directors’ Remuneration

Ordinary Resolution 4 is to authorise the payment of S\$217,667 as Directors’ remuneration to the non-executive Directors of the Company for the financial year ended 28 February 2026 (“**FY2026**”).

Details of the Directors’ fee structure and breakdown of the Directors’ remuneration for FY2026 are set out in the Corporate Governance Report contained in the Annual Report 2026.

(iii) Ordinary Resolution 6 in relation to the Share Issue Mandate

Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of 2026 AGM of the Company until the date of the next Annual General Meeting (“**AGM**”) of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro rata basis to existing shareholders of the Company.

This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(iv) Ordinary Resolution 7 in relation to the Renewal of Share Buyback Mandate

Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of 2026 AGM until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of passing of this Resolution.

Details of the proposed renewal of the Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial effects on the Group are set out in the the Appendix dated 10 June 2026 in relation to the Proposed Renewal of the Share Buyback Mandate (“**Appendix**”).

IMPORTANT NOTES:

Format of Meeting

1. The 2026 AGM will be held, in a wholly 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 2026 AGM by attending the Meeting in person. **There will be no option for shareholders to participate virtually.**

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 2026 AGM. 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.

Notice of ANNUAL GENERAL MEETING

- (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the 2026 AGM, 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 be a member of the Company. A member may choose to appoint the Chairman of the Meeting 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 by the following manners **by 11:00 a.m. on Monday, 22 June 2026**, being not less than 72 hours before the time appointed for the 2026 AGM:
 - (i) 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
 - (ii) 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 Meeting 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 Meeting 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 Meeting as proxy for that resolution will be treated as invalid.
8. CPF and SRS investors:
 - (a) may vote at the 2026 AGM 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 Meeting as proxy to vote on their behalf at the 2026 AGM, 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 AGM **by 5:00 p.m. on Monday, 15 June 2026**.
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 2026 AGM, 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 2026 AGM, as certified by the Depository to the Company.
11. Completion and submission of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the 2026 AGM if he/she so wishes. The appointment of proxy(ies) for the 2026 AGM will be deemed to be revoked if the member attends the 2026 AGM 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(ies) to the 2026 AGM.

Notice of ANNUAL GENERAL MEETING

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 2026 AGM. This is so as to ensure that only duly appointed proxy(ies)/representative(s) attend, speak and vote at the 2026 AGM. The Company reserves the right to refuse admittance to the 2026 AGM if the proxy(ies)' or representative(s)' identity cannot be verified accurately.

Submission of Questions

13. Members, including CPF Investors and SRS Investors, may submit substantial and relevant questions relating to the business of the 2026 AGM in advance **by 5:00 p.m. on Wednesday, 17 June 2026**:
- (i) 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
 - (ii) If submitted electronically, via email to srs.teamE@boardroomlimited.com.
14. When submitting questions by post or via email, members should 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 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.
15. The Company will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the 2026 AGM) received from members **by 5:00 p.m. on Wednesday, 17 June 2026** by publishing its responses to such questions on the Company's corporate website at <https://ir.dfi.com.sg/> and SGXNet 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 2026 AGM, the Company will address them at the 2026 AGM. Where questions overlap, the Company may consolidate such questions and address them by topic. Consequently, some questions may not be individually addressed.
16. Members and duly appointed proxy(ies) and representative(s) can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the 2026 AGM, at the 2026 AGM itself.
17. The Company, will, within one (1) month after the date of the 2026 AGM, publish the minutes of the 2026 AGM including the responses to the questions which are addressed during the 2026 AGM, if any.

Access to Documents

18. Printed copies of this Notice, the accompanying proxy form and the form to request for a physical copy of the Annual Report 2026 and Appendix in relation to the Proposed Renewal of the Share Buyback Mandate ("**Request Form**") (collectively "**Documents**") will be sent by post to members.
19. A member who wishes to request for a printed copy of the Annual Report 2026 and the Appendix may do so by completing and submitting the Request Form **by 5:00 p.m. on Wednesday, 17 June 2026** in the following manner:
- (i) 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
 - (ii) If submitted electronically, via email to srs.requestform@boardroomlimited.com.
20. The Annual Report 2026, the Appendix and the Documents have been published and may be accessed at the Company's corporate website at <https://ir.dfi.com.sg/> or SGXNet at <https://www.sgx.com/securities/company-announcements>.

Notice of ANNUAL GENERAL MEETING

Personal Data Privacy

For the purposes of this Notice of the 2026 AGM, “personal data” has the same meaning as defined in the Personal Data Protection Act 2012. This includes, but is not limited to, a member’s name, and the name, address, and NRIC/Passport number of any proxy(ies) or representative(s) appointed.

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 2026 AGM (including 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 2026 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the 2026 AGM (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 2026 AGM may be made by the Company for record keeping and to ensure accuracy of the minutes prepared for the 2026 AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the 2026 AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purposes.

Notice of ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Haslin binti Osman and Sebastian Paul Lim Chin Foo are the Directors seeking re-election at the forthcoming 2026 AGM of the Company to be convened on Thursday, 25 June 2026 under Resolutions 2 and 3 as set out in the Notice of 2026 AGM dated 10 June 2026.

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Trading Securities Limited (“SGX-ST”), the information relating to the Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST is set out below, and to be read in conjunction with their respective profiles under section entitled “**Board of Directors**” in the Company’s Annual Report 2026 on pages 12 to 13:

Name of the Directors	Haslin binti Osman	Sebastian Paul Lim Chin Foo
Date of Appointment	2 May 2024	10 November 2025
Date of last re-appointment	26 June 2024	Not applicable
Age	64	41
Country of principal residence	Malaysia	Malaysia
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation, and suitability of Haslin binti Osman for re-election as Director of the Company and concluded that she possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation, and suitability of Sebastian Paul Lim Chin Foo for re-election as Director of the Company and concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of Remuneration Committee and Member of Audit Committee	Non-Independent Non-Executive Director
Professional qualifications	Please refer to the respective Director’s profiles on pages 12 to 13	
Working experience and occupation(s) during the past 10 years		
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Son of Dato’ Sri Adam Sani bin Abdullah, Non-Executive Chairman and substantial shareholder of the Company. Please refer to page 227 of this Annual Report for details of shareholdings.
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

Notice of ANNUAL GENERAL MEETING

Name of the Directors	Haslin binti Osman	Sebastian Paul Lim Chin Foo
Other Principal Commitments including Directorships		
Past (for the past 5 years)	SME Bank Berhad	Nil
Present	Nil	Partner, Chief Financial Officer, MELFORD
Information required under items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules	There is no change to the responses previously disclosed by Haslin binti Osman under the items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules which were all “No”. The Appendix 7.4.1 information in respect of Haslin binti Osman was announced via Annual Report 2024 which published to SGXNet on 10 June 2024.	There is no change to the responses previously disclosed by Sebastian Paul Lim Chin Foo under the items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules which were all “No”. The Appendix 7.4.1 information in respect of Sebastian Paul Lim Chin Foo was published to SGXNet on 10 November 2025.

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DUTY FREE INTERNATIONAL LIMITED

(Company Registration Number: 200102393E)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

(for the financial year ended 28 February 2026)

IMPORTANT:

- 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.
- CPF and SRS investors:
 - may vote at the Annual General Meeting ("AGM") 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
 - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, 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 AGM by **5:00 p.m. on Monday, 15 June 2026**.
- Please read the notes overleaf which contain the instruction on, *inter alia*, the appointment of proxy(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, the Chairman of the Meeting as my/our* proxy/proxies* to attend, speak and vote for me/us* on my/our* behalf at the Annual General Meeting ("AGM") of the Company to be held at Meeting Room 330, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on **Thursday, 25 June 2026 at 11:00 a.m.** and at any adjournment thereof.

I/We* have indicated with an "X" in the appropriate box against each item below how I/we* wish my/our* proxy/proxies* to vote, or to abstain from voting.

No.	ORDINARY RESOLUTIONS	No. of Votes		
		For	Against	Abstain
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 28 February 2026 together with the Directors' Statement and Auditors' Report thereon.			
2	Re-election of Haslin binti Osman as Director of the Company.			
3	Re-election of Sebastian Paul Lim Chin Foo as Director of the Company.			
4	Approval of Directors' remuneration for the financial year ended 28 February 2026.			
5	Re-appointment of Messrs. Ernst & Young LLP as Auditors of the Company.			
	AS SPECIAL BUSINESS			
6	Share Issue Mandate.			
7	Renewal of Share Buyback Mandate.			

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 are 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 AGM.**

Dated this _____ day of _____ 2026

Total Number of Shares held

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

*Delete where appropriate

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

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 AGM. 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 AGM, 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 Meeting 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 Monday, 22 June 2026**, being not less than 72 hours before the time appointed for the AGM:
 - (i) 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
 - (ii) 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 Meeting 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 Meeting 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 Meeting as proxy for that resolution will be treated as invalid.

Affix
postage
stamp

THE SHARE REGISTRAR
DUTY FREE INTERNATIONAL LIMITED
(Company No.: 200102393E)

C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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 AGM, 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 AGM, 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 AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM 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 AGM.
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 AGM. This is so as to ensure that only duly appointed proxy(ies)/representative(s) attend, speak and vote at the AGM. The Company reserves the right to refuse admittance to the AGM 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 AGM dated 10 June 2026.



www.dfi.com.sg

138 Cecil Street #12-01A Cecil Court Singapore 069538