Duty Free International Limited

(Company Registration No. 200102393E)

Condensed Interim Financial Statements
For the three months ended 31 May 2026

DUTY FREE INTERNATIONAL LIMITED
(Company Registration No. 200102393E)
(Incorporated in Republic of Singapore)

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1(a)(i) Condensed Interim Consolidated Statement of Profit or Loss

	Note	Group 3 months ended 31 May 2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	Increase/ (decrease) %
Revenue	5.1	61,126	32,195	89.9%
Changes in inventories		(6,625)	5,516	(>100.0%)
Inventories purchased and materials consumed		(28,794)	(27,031)	6.5%
Other income	7.1(a)	746	3,128	(76.2%)
Employee benefits expenses		(11,263)	(3,014)	>100.0%
Depreciation of property, plant and equipment		(2,529)	(643)	>100.0%
Depreciation of right-of-use assets		(589)	(2,117)	(72.2%)
Depreciation of investment properties		(45)	–	100.0%
Rental of premises		(825)	(105)	>100.0%
Commission expenses		(13)	(58)	(77.6%)
Professional fees		(447)	(432)	3.5%
Promotional expenses		(18)	(12)	50.0%
Sub-contractor charges		(3,200)	–	100.0%
Utilities and maintenance expenses		(1,809)	(362)	>100.0%
Realised foreign exchange gain		173	27	>100.0%
Unrealised foreign exchange gain/(loss)		473	(79)	(>100.0%)
Finance costs		(203)	(1,680)	(87.9%)
Other expenses	7.1(b)	(4,685)	(3,052)	>100.0%
Profit before tax		1,473	2,281	(35.4%)
Income tax expense	8	(1,110)	(838)	32.5%
Profit for the period		363	1,443	(74.8%)
Attributable to:				
Owners of the Company		152	1,427	(89.4%)
Non-controlling interests		211	16	>100.0%
		363	1,443	(74.8%)
Profit per share for the period attributable to owners of the Company (sen per share)				
Basic		0.01	0.12	
Diluted		0.01	0.12	

1(a)(ii) Condensed Interim Consolidated Statement of Other Comprehensive Income

	Group 3 months ended 31 May		
	2026 (Unaudited) RM'000	**2025 (Unaudited)** RM'000	**Increase/ (decrease)** %
Profit for the period	363	1,443	(74.8%)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(2)	6	>100.0%
Total comprehensive income for the period	361	1,449	(75.1%)
Attributable to:			
Owners of the Company	150	1,433	(89.5%)
Non-controlling interests	211	16	>100.0%
Total comprehensive income for the period	361	1,449	(75.1%)

1(b) Condensed Interim Statement of Financial Position

	Note	Group 31.05.2026 (Unaudited) RM'000	Group 28.02.2026 (Audited) RM'000	Company 31.05.2026 (Unaudited) RM'000	Company 28.02.2026 (Audited) RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	119,111	123,696	–	–
Investment properties		6,287	2,121	–	–
Goodwill	11.1	5,818	5,818	–	–
Investments in subsidiaries		–	–	359,584	359,584
Investment in structured note		12,866	12,560	12,866	12,560
Development rights	11.2	18,517	18,517	–	–
Deferred tax assets		1,138	1,159	–	–
Right-of-use assets		24,671	25,269	–	–
Other assets		136	136	–	–
		188,544	189,276	372,450	372,144
Current assets					
Biological assets		194	209	–	–
Trade and other receivables	6.1	21,177	17,403	156	169
Prepayments		2,220	1,589	–	–
Inventories		72,026	78,763	–	–
Capitalised contract cost		517	479	–	–
Cash and bank balances		97,985	107,370	15,849	15,775
Tax recoverable		2,423	1,177	6	8
		196,542	206,990	16,011	15,952
Total assets		385,086	396,266	388,461	388,096
Equity and liabilities					
Current liabilities					
Trade and other payables	6.2	48,871	57,124	59,457	58,494
Borrowings		3,208	6,416	–	–
Lease liabilities		1,426	1,467	–	–
Employee benefits		631	655	–	–
Income tax payable		170	963	–	–
		54,306	66,625	59,457	58,494
Net current assets/(liabilities)		142,236	140,365	(43,446)	(42,542)

1(b) Condensed Interim Statement of Financial Position (cont'd)

	Note	Group		Company	
		31.05.2026 (Unaudited) RM'000	**28.02.2026 (Audited)** RM'000	**31.05.2026 (Unaudited)** RM'000	**28.02.2026 (Audited)** RM'000
Non-current liabilities					
Borrowings		8,168	7,064	–	–
Deferred tax liabilities		11,175	11,195	2,432	2,430
Employee benefits		1,116	1,116	–	–
Lease liabilities		3,836	4,142	–	–
		24,295	23,517	2,432	2,430
Total liabilities		78,601	90,142	61,889	60,924
Net assets		306,485	306,124	326,572	327,172
Equity attributable to owners of the Company					
Share capital	13	487,903	487,903	978,725	978,725
Treasury shares		(22,017)	(22,017)	(22,017)	(22,017)
Other reserves		(261,649)	(261,647)	661	661
Retained earnings/(accumulated losses)		101,479	101,327	(630,797)	(630,197)
		305,716	305,566	326,572	327,172
Non-controlling interests		769	558	–	–
Total equity		306,485	306,124	326,572	327,172
Total equity and liabilities		385,086	396,266	388,461	388,096

(c) Condensed Interim Statements of Changes in Equity

	Attributable to owners of the Company												
Group	**Ordinary shares** RM'000	**Treasury shares** RM'000	**Total other reserves** RM'000	**Foreign currency translation reserve** RM'000	**Net premium paid/received on transactions with non-controlling interests** RM'000	**Gain on reissuance of treasury shares** RM'000	**Merger reserve** RM'000	**Capital reserve** RM'000	**Retained earnings** RM'000	**Total equity attributable to owners of the Company** RM'000	**Non-controlling interests** RM'000	**Total equity** RM'000
Opening balance at 1 March 2026	487,903	(22,017)	(261,647)	685	(178,818)	661	(84,175)	–	101,327	305,566	558	306,124
Profit for the period	–	–	–	–	–	–	–	–	152	152	211	363
Other comprehensive income for the period	–	–	(2)	(2)	–	–	–	–	–	(2)	–	(2)
Total comprehensive income for the period	–	–	(2)	(2)	–	–	–	–	152	150	211	361
Closing balance at 31 May 2026	487,903	(22,017)	(261,649)	683	(178,818)	661	(84,175)	–	101,479	305,716	769	306,485

1(c) Condensed Interim Statements of Changes in Equity (cont'd)

	Attributable to owners of the Company										
Group	**Ordinary shares** RM'000	**Treasury shares** RM'000	**Total other reserves** RM'000	**Foreign currency translation reserve** RM'000	**Net premium paid/received on transactions with non-controlling interests** RM'000	**Gain on reissuance of treasury shares** RM'000	**Capital reserve** RM'000	**Retained earnings** RM'000	**Total equity attributable to owners of the Company** RM'000	**Non-controlling interests** RM'000	**Total equity** 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 period	–	–	–	–	–	–	–	1,427	1,427	16	1,443
Other comprehensive income for the period	–	–	6	6	–	–	–	–	6	–	6
Total comprehensive income for the period	–	–	6	6	–	–	–	1,427	1,433	16	1,449
Transactions with owners:											
Transfer to retained earnings	–	–	(1,033)	–	–	–	(1,033)	1,033	–	–	–
Total transactions with owners	–	–	(1,033)	–	–	–	(1,033)	1,033	–	–	–
Closing balance at 31 May 2025	487,903	(22,017)	(177,478)	679	(178,818)	661	–	87,452	375,860	171	376,031

1(c) Condensed Interim Statements of Changes in Equity (cont'd)

	Ordinary shares RM'000	**Treasury shares** RM'000	**Others reserve** RM'000	**Retained earnings/ (accumulated losses)** RM'000	**Total equity** RM'000
Company					
Opening balance at 1 March 2026	978,725	(22,017)	661	(630,197)	327,172
Loss for the year	–	–	–	(600)	(600)
Total comprehensive income for the period	–	–	–	(600)	(600)
Closing balance at 31 May 2026	978,725	(22,017)	661	(630,797)	326,572

1(c) Condensed Interim Statements of Changes in Equity (cont'd)

	Ordinary shares RM'000	**Treasury shares** RM'000	**Others reserve** RM'000	**Retained earnings/ (accumulated losses)** RM'000	**Total equity** RM'000
Company					
Opening balance at 1 March 2025	978,725	(22,017)	661	(626,645)	330,724
Loss for the year	–	–	–	(87)	(87)
Total comprehensive income for the period	–	–	–	(87)	(87)
Closing balance at 31 May 2025	978,725	(22,017)	661	(626,732)	330,637

1(d) Condensed Interim Consolidated Statement of Cash Flows

	Group 3 months ended 31 May	
	2026 (Unaudited)	**2025 (Unaudited)**
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	1,473	2,281
Adjustments for:		
Depreciation of property, plant and equipment	2,529	643
Depreciation of right-of-use assets	589	2,117
Depreciation if investment properties	45	–
Finance costs	203	1,680
Loss/(gain) arising from changes in fair values of biological assets	15	(134)
Gain on disposal of property, plant and equipment	(72)	(132)
Interest income	(481)	(2,203)
Provision for/(reversal of) inventories written down	111	(215)
Reversal of impairment loss on receivable	(20)	–
Net unrealised foreign exchange (gain)/loss	(473)	79
Operating cash flows before changes in working capital	3,919	4,116
Changes in working capital		
(Increase)/decrease in trade and other receivables	(3,789)	1,128
(increase)/decrease in prepayments	(631)	4,922
Decrease/(increase) in inventories	6,625	(5,516)
(Decrease)/increase in trade and other payables	(8,263)	2,093
Cash flows (used in)/generated from operations	(2,139)	6,743
Interest paid	(172)	(1,651)
Income taxes paid	(3,148)	(1,273)
Net cash flows (used in)/generated from operating activities	(5,459)	3,819

1(d) Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	Group 3 months ended 31 May	
	2026 (Unaudited)	**2025 (Unaudited)**
	RM'000	RM'000
Cash flows from investing activities		
Interest received	481	2,203
Proceeds from disposal of property, plant and equipment	72	132
Purchase of property, plant and equipment	(2,155)	(211)
Incidental costs in relation to development rights	–	(5,017)
Net cash flows used in investing activities	(1,602)	(2,893)
Cash flows from financing activities		
Decrease in pledged fixed deposits	7,595	–
Repayment of borrowings	(2,104)	–
Payment of principal portion of lease liabilities	(370)	(1,627)
Net cash generated from/(used in) financing activities	5,121	(1,627)
Net decrease in cash and cash equivalents	(1,940)	(701)
Effects of foreign exchange rate changes	150	(196)
Cash and cash equivalents at beginning of the year	96,547	222,913
Cash and cash equivalents at end of period	94,757	222,016
Cash and cash equivalents comprise of:		
Cash and deposits with licensed banks	97,985	229,460
Deposits pledged with licensed banks	(3,228)	(7,444)
Cash and cash equivalents	94,757	222,016

2. 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.

These condensed interim consolidated financial statements for period ended 31 May 2026 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the Group are:

(a) Manufacturing and supplying of automotive component parts
(b) Retailer, wholesaler and distributor of duty free and non-dutiable merchandise
(c) Properties management and cultivation of oil palm

3. Basis of preparation

The condensed interim financial statements for the three months ended 31 May 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the period ended 28 February 2026.

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.

3.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to FRS ("INT FRSs") that are mandatory for application from that date.

The application of these new or amended SFRS(I) and INT FRSs did not result in changes in the Group’s accounting policies and has no material effect on the amounts reported for the current period or prior years.

3. Basis of preparation (cont'd)

3.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 28 February 2026.

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

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 Group's condensed interim consolidated financial statements for the three months period ended 31 May 2026.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Revenue and segment information

5.1 Revenue

	Group 3 months ended 31 May	
	2026	**2025**
	RM'000	RM'000
Sale of goods	59,914	31,208
Sale of oil palm fresh fruit bunches	600	987
Rental income	612	–
	61,126	38,305
Timing of transfer of goods and services		
At a point in time	60,514	32,195
Over a period of time	612	–
	61,126	32,195

5.2 Segment information

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 has the following reportable operating segments:

(i) *Manufacturing and supplying of automotive component parts*

This segment includes revenues from sale of goods.

(ii) *Trading of duty free goods and non-dutiable merchandise*

This segment includes revenues from sale of goods.

(iii) *Investment holding and others*

This segment includes revenues from sale of fresh oil palm 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.

5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

	Manufacturing and supplying of automotive component parts		Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	3 months ended 31 May		3 months ended 31 May		3 months ended 31 May		3 months ended 31 May			3 months ended 31 May	
	2026	2025	2026	2025	2026	2025	2026	2025		2026	2025
First quarter:	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	47,864	–	12,051	31,208	1,211	987	–	–		61,126	32,195
Inter-segment sales	–	–	–	–	–	164	–	(164)	A	–	–
Total revenue	47,864	–	12,051	31,208	1,211	1,151	–	(164)		61,126	32,195
Interest income	176	–	11	981	294	1,222	–	–		481	2,203
Miscellaneous income	18	–	160	768	120	239	(33)	(82)		265	925
Total revenue and other income	48,058	–	12,222	32,957	1,656	2,612	(64)	(246)		61,872	35,323

5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments (cont'd)

	Manufacturing and supplying of automotive component parts		Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	3 months ended 31 May		3 months ended 31 May		3 months ended 31 May		3 months ended 31 May			3 months ended 31 May	
	2026	2025	2026	2025	2026	2025	2026	2025		2026	2025
First quarter:	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Results											
Depreciation and amortisation	(2,118)	–	(667)	(2,509)	(378)	(371)	–	120		(3,163)	(2,760)
Finance costs	(152)	–	(51)	(1,707)	–	–	–	27		(203)	(1,680)
Other non-cash income/(expenses)	194	–	51	418	367	(58)	–	(39)	B	612	321
Segment profit/(loss)	3,351	–	(1,856)	1,825	(100)	(1,292)	78	1,748	C	1,473	2,281
Additions to non-current assets	1,894	–	261	187	–	24	–	–	D	2,155	211

5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments (cont'd)

	Manufacturing and supplying of automotive component parts		Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	31.05.2026 RM'000	**28.02.2026** RM'000	**31.05.2026** RM'000	**28.02.2026** RM'000	**31.05.2026** RM'000	**28.02.2026** RM'000	**31.05.2026** RM'000	**28.02.2026** RM'000		**31.05.2026** RM'000	**28.02.2026** RM'000
Segment assets	158,042	167,421	97,633	102,662	128,850	123,847	3,561	2,336	E	385,086	396,266
Segment liabilities	52,665	63,688	8,661	8,039	5,930	6,257	11,345	12,158	F	78,601	90,142

5. Segment and revenue information (cont'd)

5.2 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 include gain arising from change in fair values of biological assets, gain on disposal of property, plant and equipment, reversal of/ provision for inventories written down and net foreign exchange gain/loss.
C	The following items were deducted from segment results to arrive at profit before tax presented in the income statement:

	3 months ended 31 May	
	2026	**2025**
	RM'000	RM'000
Inter-segment transactions	78	1,748

D Additions to non-current assets consist of:

	3 months ended 31 May	
	2026	**2025**
	RM'000	RM'000
Property, plant and equipment	2,155	211

5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments (cont'd)

Notes	Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements
E	The following items were added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	As at 31.05.2026 RM'000	As at 28.02.2026 RM'000
Deferred tax assets	1,138	1,159
Tax recoverable	2,423	1,177
	3,561	2,336

F	The following items were added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	As at 31.05.2026 RM'000	As at 28.02.2026 RM'000
Deferred tax liabilities	11,175	11,195
Income tax payable	170	963
	11,345	12,158

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and company as at 31 May 2026 and 28 February 2026:

6.1 Financial assets

	Group		Company	
	31.05.2026	**28.02.2026**	**31.05.2026**	**28.02.2026**
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables:				
Trade receivables	19,691	13,004	–	–
Deposits	1,207	1,272	–	–
Due from subsidiaries	–	–	148	148
Sundry receivables	279	3,127	8	21
Total trade and other receivables	21,177	17,403	156	169
Add: Cash and bank balances	97,985	107,370	15,849	15,775
Total financial assets carried at amortised cost	119,162	124,773	16,005	15,944

6.2 Financial liabilities

	Group		Company	
	31.05.2026	**28.02.2026**	**31.05.2026**	**28.02.2026**
	RM'000	RM'000	RM'000	RM'000
Trade and other payables:				
Trade payables	17,179	21,158	–	–
Accruals	5,258	9,186	1,182	933
Accrued payroll related expenses	8,800	8,611	–	–
Rental payables	682	30	–	–
Deposit received from customer	2,996	6,093	–	–
Other deposits received	4,097	4,505	–	–
Royalty payables	1,237	1,498	–	–
Due to subsidiary	–	–	58,269	57,559
Sundry payables	8,622	6,043	6	2
Total trade and other payables	48,871	57,124	59,457	58,494
Add: Borrowings	11,376	13,480	–	–
Total financial liabilities carried at amortised cost	60,247	70,604	59,457	58,494

7. Profit before taxation

7.1 Significant items

(a) Other income

	Group 3 months ended 31 May	
	2026	**2025**
	RM'000	RM'000
Interest income from licensed banks	481	1,849
Interest income from Berjaya Waterfront Sdn Bhd	–	354
Rental income from property, plant and equipment	118	123
Gain arising from changes in fair value of biological assets	–	134
Gain on disposal of property, plant and equipment	72	132
Reversal of impairment loss on receivable	20	–
Reversal of inventories written down	–	215
Miscellaneous income	55	321
	746	3,128

(b) Other expenses

The following items have been included in arriving at other expenses:

	Group 3 months ended 31 May	
	2026	**2025**
	RM'000	RM'000
Assessment and quit rent	444	257
Auditors' remuneration	220	189
Bank charges	145	145
Directors' remuneration	221	192
Inventories written down	111	–
Insurance premium	215	212
Licences and permits	167	130
Loss arising from changes in fair value of biological assets	15	–
Management fees	875	500
Packing materials	110	25
Printing and stationery	53	47
Royalties	457	–
Security services	169	81
Transportation costs	158	226
Travelling expenses	270	89
Miscellaneous expenses	1,055	959
	4,685	3,052

7. Profit before taxation (cont'd)

7.2. Related party disclosures

All related party transactions had been entered into the ordinary course of business on normal commercial terms.

The transactions with the related company of the Group are as set out below:

	Group 3 months ended 31 May	
	2026	**2025**
	RM'000	RM'000
Related company:		
- Management fee	875	500

8. Income tax expense

Major components of income tax expense

The Group calculated the income tax expense for the reporting period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are as follows:

	Group 3 months ended 31 May	
	2026	**2025**
	RM'000	RM'000
Current income tax expense	1,109	684
Deferred income tax expense relating to origination and reversal of temporary difference	1	154
Income tax expense recognised in profit or loss	1,110	838

9. Net asset value

	Group		Company	
	As at 31 May 2026	**As at 28 February 2026**	**As at 31 May 2026**	**As at 28 February 2026**
Net asset value per ordinary share (sen)	25.51	25.50	27.26	27.31
Number of shares used in calculating net asset value per share ('000)	1,198,200	1,198,200	1,198,200	1,198,200

Net asset value per ordinary share is computed based on total equity less non-controlling interests divided by the number of shares.

10. Financial assets at fair value through other comprehensive income

10.1 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 an active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other that 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.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	**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
At 31 May 2026				
Financial assets:				
- Investment in structured Notes	–	–	12,866	12,866
Non-financial assets:				
- Biological assets	–	–	194	194
At 28 February 2026				
Financial assets:				
- Investment in structured Notes	–	–	12,560	12,560
Non-financial assets:				
- Biological assets	–	–	209	209

11. Intangible assets

11.1 Goodwill

	Group RM'000
Cost	
At 1 March 2025, 28 February 2026, 1 March 2026 and 31 May 2026	28,816
Accumulated impairment losses	
At 1 March 2025, 28 February 2026, 1 March 2026 and 31 May 2026	(22,998)
Net carrying amount at 28 February 2026 and 31 May 2026	5,818

The cash-generating units ("CGU") to which goodwill have been allocated were tested for impairment as at 31 May 2026. The recoverable amount of the CGUs was determined based on value in use calculations using probabilities-weighted cash flow projections from financial forecasts covering a five-year period with different scenarios. The key assumptions used in the discounted cash flow models were similar to those made in FY2026, for 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 FY2028 to FY2032 range between 3% to 5%.

ii) The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment was 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 was assumed that the licences would be renewed upon their expiry on terms and conditions which were 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%.

v) The pre-tax discount rate applied to the cash flow projections was 14.3% based on weighted average cost of capital of the Group.

The present value of the discounted cash flow was then compared to the carrying value of the CGUs and as there was no shortfall in the assessment, no impairment loss was recorded for the period ended 31 May 2026.

11.2 Development rights

	Group	
	31.05.2026	**28.02.2026**
	RM'000	RM'000
Development rights	13,500	13,500
Incidental costs	5,017	5,017
	18,517	18,517

On 27 May 2019, a Privatisation Cum Development Agreement was signed between the State Government of Johore, The State Secretary Johor ("SSI"), Majlis Bandaraya Johor Bahru ("MBJB"), and Kelana Megah Sdn. Bhd. ("KMSB"), a subsidiary of the Company. Under this agreement, the State Government of Johor and SSI agreed to grant KMSB land rights for the development of the land parcel bearing lot number PTB20379, located at Stulang Laut, district of Johor Bahru. In return, KMSB was obligated to pay of RM10.0 million and RM3.5 million as development return ("Development rights") to the State Government of Johor and MBJB respectively.

On 18 March 2024, the development return of RM13.5 million was fully paid by KMSB to the State Government of Johor and MBJB. Following this payment, the land rights were recognised as development rights in the statement of financial performance for the financial year 2025.

On 10 September 2024, KMSB had entered into a conditional joint development agreement with Chin Hin Property (Stulang) Sdn. Bhd. ("CHPSSB"), to undertake a joint development on the abovementioned land. Subject to the necessary approvals to be obtained, 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.

On 10 March 2025, the land title registration was completed, with legal ownership officially transferred to KMSB. In connection to the land title transfer, KMSB incurred incidental costs (which included stamp duties and professional fees) amounting to RM5.0 million. During the current financial period, these costs which were previously recorded as prepayments had been reclassified as part of the land costs under development rights.

12. Property, plant and equipment

During the three months ended 31 May 2026, the Group acquired assets amounting to RM2,155,000 (31 May 2025: RM211,000).

13. Borrowings

	Group	
	31.05.2026	**28.02.2026**
	RM'000	RM'000
Amount repayable within one year or on demand		
Secured:		
Trade facilities	1,510	4,718
Term loan	1,698	1,698
	3,208	6,416
Amount repayable after one year		
Secured:		
Term loan	8,168	7,064
	8,168	7,064
Total borrowings	11,376	13,480

The borrowings are secured by way of corporate guarantees from the ultimate holding company, property charges and certain amount of deposits with a licensed bank.

14. Share capital

	Number of ordinary shares with no par value		Amount	
Group	**31.05.2026**	**28.02.2026**	**31.05.2026**	**28.02.2026**
	'000	'000	RM'000	RM'000
Beginning and end of interim period	1,198,200	1,198,200	487,903	487,903
Company				
Beginning and end of interim period	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.

Total treasury shares as at 31 May 2026 was 30,999,300 (28 February 2026: 30,999,300).

As at 31 May 2026, the Company's issued and paid-up share capital comprises 1,198,200,293 (28 February 2026: 1,198,200,293) ordinary shares, excluding treasury shares.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 31 May 2026.

15. Significant events

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").

15. Significant events (cont'd)

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, which commenced from 10 June 2025 and expired 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, which commenced from 10 December 2025 and expired on 9 June 2026.

However, as the conditions precedent were still not fully satisfied upon the expiry of the further extended Conditional Period on 9 June 2026, both parties entered into a third Supplemental Letter on 9 June 2026 to further extend the Conditional Period for an additional six (6) months, from 10 June 2026 to 9 December 2026. Save for the extension of the Conditional Period, all the other provisions of the JDA shall remain unchanged and shall continue to be in full force and effect.

Please refer to the Company's announcement dated 10 September 2024, 13 March 2025, 19 March 2025, 10 June 2025, 9 December 2025 and 9 June 2026 on SGX-ST website for further information on the Proposed Joint Development.

16. Subsequent events

On 7 May 2026, the Company announced its proposal to undertake a renounceable non-underwritten rights issue of up to 399,400,096 warrants (the "Warrants") (the "Proposed Warrants Issue") at an issue price of S$0.001 per Warrant (the "Issue Price"), on the basis of one (1) Warrant for every three (3) existing ordinary shares in the capital of the Company (the "Shares") held by shareholders of the Company ("Shareholders") as at a record date to be determined by the Board for the purpose of determining entitlements under the Proposed Warrants Issue (the "Record Date"), fractional entitlements being disregarded. Each Warrant shall entitle the holder (a "Warrantholder") to subscribe for one (1) new ordinary share in the capital of the Company (the "Warrant Share") at an exercise price of S$0.085 per Warrant Share (the "Exercise Price"), subject to the terms and conditions of the Warrants as set out in the deed poll to be executed by the Company (the "Deed Poll").

16. Subsequent events (cont'd)

On 2 June 2026, the Company obtained the approval-in-principle from the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of up to (i) up to 399,400,096 Warrants to be issued at an issue price of S$0.001 per Warrant, each Warrant carrying the right to subscribe for one (1) Warrant Share at an exercise price of S$0.085 per Warrant Share and (ii) up to 399,400,096 Warrant Shares to be issued upon the exercise of the Warrants, subject to certain conditions imposed by the SGX-ST. The Company has provided the required written undertakings and confirmations to the SGX-ST in relation to the aforesaid approval-in-principle.

On 12 June 2026, the Company announced that the Register of Members and share transfer books will be closed at 5.00 p.m. (Singapore time) on 22 June 2026 (the "Record Date") for the purpose of determining shareholders' entitlements to the provisional allotment of Warrants under the Proposed Warrants Issue. The Shares traded on a "cum-rights" basis up to 18 June 2026 and on an "ex-rights" basis from 19 June 2026, such that shareholders who acquire Shares on or after 19 June 2026 will not be entitled to participate in the Proposed Warrants Issue.

The Entitled Depositors and Entitled Scripholders (collectively referred to as "Entitled Shareholders") will be eligible to participate and will receive notification materials providing instructions to access the Offer Information Statement ("OIS") electronically together with the relevant application forms and supporting documents via The Central Depository (Pte) Limited or the Company's Share Registrar, as applicable. Subject to the terms and conditions of the OIS, Entitled Shareholders may, during the nil-paid rights trading period, accept, decline or renounce their provisional allotments and Entitled Depositors may also trade such provisional allotments on the Mainboard of the SGX-ST as well as apply for excess Warrants.

On 24 June 2026, the Company announced the lodgement of the OIS with the Monetary Authority of Singapore. The OIS has been made available electronically for viewing by Entitled Shareholders via designated online locations. In accordance with the applicable regulations, printed copies of the OIS would not be despatched to Entitled Shareholders or purchasers of the provisional allotments of Warrants traded on the SGX-ST ("Purchasers").

The gross proceeds from the Warrants Issue are expected to amount to approximately S$0.4 million, with estimated net proceeds of approximately S$0.2 million after deduction of expenses relating to the Proposed Warrants Issue. The net proceeds will be used for general working capital purposes. Assuming full exercise of all Warrants, the Company may raise additional gross proceeds of up to approximately S$33.9 million ("Exercise Proceeds"), excluding the Net Subscription Proceeds.

16. Subsequent events (cont'd)

The Company intends to utilise the Exercise Proceeds in the following manner:

Use of Exercise Proceeds	Allocation (%)
Strategic acquisitions, alliances and joint ventures and/or diversification into complementary or new business ventures	80.0%
General working capital requirements	20.0%

The Exercise Proceeds, when received will be applied at the discretion of the Company in accordance with the above allocation, subject to the Group's operational requirements and prevailing market conditions. The Company will provide updates on the utilisation of proceeds in its interim and annual reports.

Please refer to the Company's announcements dated 7 May 2026, 2 June 2026, 12 June 2026 and 24 June 2026 on SGX-ST website for further information on the Proposed Warrants Issue.

17. 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.

17. Material litigation (cont'd)

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 a fair quantum of compensation at the land enquiry.

18. Review

The condensed consolidated statement of financial position of Duty Free International Limited and its subsidiaries as at 31 May 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period and certain explanatory notes have not been audited or reviewed.

19. Review of performance of the Group

Consolidated statement of Comprehensive Income

First quarter ended 31 May 2026 (“1Q FY2027”) vs First quarter ended 31 May 2025 (“1Q FY2026”)

Revenue
The Group recorded revenue of RM61.1 million in 1Q FY2027, representing an increase of RM28.9 million compared to RM32.2 million in 1Q FY2026. The increase was primarily attributable to the revenue contribution of RM47.9 million from United Industries Group (“UIG”), following the Company’s acquisition on 31 October 2025. This was partially offset by a decline of RM19.0 million in revenue from the trading of duty-free goods and non-dutiable merchandise (“Duty Free”) segment, following the closure of the Johor Bahru and Langkawi outlets in the fourth quarter of the previous financial year, which resulted in lower sales contributed by the Duty Free segment during the current reporting quarter compared with the corresponding quarter of the previous financial year

Changes in inventories
Changes in inventories comprised the difference in the value of inventories at the beginning and at the end of the financial period under review. In 1Q FY2027, the value of the closing inventories was lower than the value of the opening inventories by RM6.6 million. In 1Q FY2026, the value of the closing inventories was higher by RM5.5 million. This resulted in a variance of RM12.1 million for 1Q FY2027 vis-à-vis 1Q FY2026, primarily attributable to timing differences in purchases and consumption of inventories in the respective quarters.

Inventories purchased and materials consumed
Inventories purchased and materials consumed increased by 6.5% or RM1.8 million, from RM27.0 million in 1Q FY2026 to RM28.8 million in 1Q FY2027. This was mainly attributable to the consolidation of inventory consumption from UIG in the current quarter, partially offset by lower consumption in the duty-free segment in line with reduced revenue following the closure of outlets.

Other Income
Other income decreased by RM2.4 million or 76.2%, from RM3.1 million in 1Q FY2026 to RM0.7 million in 1Q FY2027. The decrease was mainly attributable to lower interest income of RM1.7 million, the absence of a reversal of inventories written down of RM0.2 million recognised in the corresponding period as well as lower sundry income of RM0.3 million in the current reporting quarter.

19. Review of performance of the Group (cont'd)

Consolidated statement of Comprehensive Income (cont'd)

Employee benefits expenses
Employee benefits expenses increased by RM8.3 million from RM3.0 million in 1Q FY2026 to RM11.3 million in 1Q FY2027. The increase was mainly attributable to the consolidation of payroll expenses of the newly acquired UIG amounting to RM9.2 million in the current quarter, partially offset by lower payroll expenses arising from reduced headcount in the duty-free retail segment following the closure of the Johor and Langkawi outlets in 4Q FY2026.

Depreciation of property, plant and equipment
Depreciation expenses increased by RM1.9 million, from RM0.6 million in 1Q FY2026 to RM2.5 million in 1Q FY2027. The increase was primarily attributable to the consolidation of depreciation expenses of approximately RM2.0 million arising from the property, plant and equipment of the newly acquired UIG, which is principally engaged in the manufacturing and supply of automotive component parts.

Depreciation of right-of-use assets
Depreciation of right-of-use assets decreased by RM1.5 million, from RM2.1 million in 1Q FY2026 to RM0.6 million in 1Q FY2027. The decrease was mainly due to the termination of the lease agreement for the Johor Bahru outlet (as disclosed in Note 15(ii) of this report) following the cessation of its business operations.

Utilities and maintenance expenses
Utilities and maintenance expenses increased by RM1.4 million, compared with RM0.4 million in 1Q FY2026. The increase was mainly attributable to the consolidation of utilities and maintenance costs of RM1.6 million from the newly acquired UIG following its acquisition in 3Q FY2026, partially offset by reduced expenses following the closure of retail outlets in the previous financial years.

Sub-contractor charges
The sub-contractor charges for 1Q FY2027 was RM3.2 million, representing costs incurred for the engagement of third-party service providers to support certain manufacturing-related activities of the newly acquired subsidiary, UIG.

Unrealised foreign exchange gain
The unrealised foreign exchange gain for 1Q FY2027 mainly due to translation gains on the Group's foreign currency deposits and investments in structured notes denominated in Singapore dollars ("SGD").

Finance costs
Finance costs decreased by RM1.5 million or 87.9%, from RM1.7 million in 1Q FY2026 to RM0.2 million in 1Q FY2027, mainly due to the absence of lease liabilities following the termination of the lease agreement for the Johor Bahru outlet which correspondingly resulted in a reduction in depreciation of right-of-use assets arising from the same termination arrangement as mentioned above.

19. Review of performance of the Group (cont'd)

Consolidated statement of Comprehensive Income (cont'd)

Other Operating expenses
The Group incurred higher other operating expenses in 1Q FY2027 by RM1.6 million, compared to RM3.1 million in 1Q FY2026. The increase was mainly attributable to the consolidation of operating expenses of approximately RM1.0 million from the newly acquired UIG as well as higher management fees of approximately RM0.4 million during the period under review.

Profit before income tax
The Group reported a profit before income tax of RM1.5 million for 1Q FY2027, which was RM0.8 million lower than the RM2.3 million recorded in 1Q FY2026. The lower profit was mainly due to reduced contributions from the duty-free segment following the closure of outlets in the fourth quarter of the previous financial year, coupled with lower interest income as mentioned above. However, the negative effects were partially offset by profit contributions from the newly acquired subsidiary, UIG, which is engaged in the manufacturing and supply of automotive component parts.

The remaining expenses in the Group's income statement for 1Q FY2027 were largely consistent with those recorded in 1Q FY2026.

Consolidated Statement of Financial Position

Property, plant and equipment
The decrease in the net book value of property, plant and equipment of RM4.6 million was mainly attributable to the reclassification of a property with a net book value of RM4.2 million to investment properties following its leasing out as well as depreciation charges of RM2.5 million. This was partially offset by additions to assets amounting to RM2.2 million during the financial period under review.

Investment properties
The increase in investment properties was attributable to the reclassification of a property with a net book value of RM4.2 million from property, plant and equipment, as mentioned above.

Development rights
The RM18.5 million development rights comprises payment of RM13.5 million that was paid to the State Government and City Council of Johor as well as well as RM5.0 million incidental costs incurred for the transfer of land title, as mentioned in Note 11.2.

Right-of-use assets
The decrease in right-of-use assets by RM0.6 million was mainly due to depreciation charge of RM0.6 million during 1Q FY2027.

19. Review of performance of the Group (cont'd)

Consolidated Statement of Financial Position (cont'd)

Trade receivables and other receivables
The increase in trade and other receivables of RM3.8 million was mainly attributable to higher trade receivables of RM6.8 million, from RM13.0 million as at 28 February 2026 to RM19.7 million as at 31 May 2026. However, the increase was partially offset by a decrease in sundry receivables of RM2.8 million. The movements in both trade and sundry receivables were mainly due to timing differences in collections.

Inventories
The decrease in inventories of RM6.8 million was primarily attributable to lower overall purchases during the period as well as higher consumption of inventories during the period under review.

Capitalised contract cost
Capitalised contract costs consist mainly of costs incurred for sales which have not yet been recognised as revenue in relation to UIG.

Trade and other payables
The decrease in trade and other payables of RM8.2 million was primarily attributable to lower trade payables of RM4.0 million, a reduction in accruals of RM3.9 million and a decrease in deposits received from customers of RM3.1 million following the recognition of revenue, where deposits had been offset against receivables. However, the decrease was partially offset by an increase in sundry payables of RM2.6 million. The reduction in trade payables was mainly due to lower purchases compared with the corresponding period in the prior year as well as timing differences in the settlement of payables.

Consolidated Statement of Cashflow

The net cash outflow from operating activities of RM5.5 million in 1Q FY2027, compared to a net cash inflow of RM3.8 million in 1Q FY2026 was primarily driven by higher net cash utilised for working capital during the current quarter under review.

The net cash flows used in investing activities in 1Q FY2027 was RM1.6 million, compared with RM5.9 million in 1Q FY2026. The decrease was mainly due to the absence of incidental costs relating to development activities incurred in the prior year, partially offset by higher purchases of property, plant and equipment amounting to RM2.1 million as well as lower interest received of RM1.7 million in the current quarter under review.

The net cash inflow from financing activities was RM5.1, mainly due to the upliftment of pledged fixed deposits of RM7.6 million and lower repayments of the principal portion of lease liabilities following the termination of leases, partially offset by repayment of borrowings of RM2.1 million.

20. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results

Not applicable.

21. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Malaysian economy expanded by 5.4% in the first quarter of 2026 (4Q 2025: 6.2%), driven primarily by resilient domestic demand. Household spending remained supported by favourable labour market conditions with low unemployment rate and targeted policy measures sustaining consumption. However, growth in the services sector moderated, reflecting lower motor vehicle sales following front-loading of purchases in the previous quarter ahead of the expiry of electric vehicle import duty waivers. However, headline inflation increased to 1.6%, mainly driven by higher global cost pressures, including the pass-through of elevated energy prices as well as higher electricity and fuel costs, partly associated with geopolitical tensions in the Middle East. Looking ahead, Malaysia's economic outlook remains resilient despite external headwinds including geopolitical tensions and global cost pressures, with growth supported by sustained domestic demand, ongoing multi-year investment projects and continued strength in export performance.[1]

In view of the above, the Group anticipates that the manufacturing and retail business environment will remain challenging throughout financial year 2027. This is largely due to elevated global inflation, which continues to drive higher product and operating costs while dampening consumer and household spending amid persistent cost-of-living pressures and increasingly cautious consumer spending behaviour in an uncertain economic environment. Furthermore, following the duty free outlet closures in the fourth quarter of the previous financial year which have resulted in a reduced scale of the retail segment, the Group expects the revenue and profitability of the duty free segment to be adversely impacted in the next twelve months.

Conversely, the manufacturing segment under UI Group has contributed stronger revenue and profitability to the Group following its acquisition. Accordingly, the Group will focus on strengthening performance by leveraging its established customer network to pursue collaborations with electric and hybrid vehicle manufacturers while accelerating strategic partnerships with technical collaborators through joint ventures and technical assistance arrangements across the EV value chain. The Group is also exploring the expansion of its manufacturing capabilities to support the nation's EV aspirations. These strategic initiatives aim to keep the Group competitive and well-positioned in the evolving automotive landscape, particularly in light of ongoing geopolitical uncertainties while ensuring compliance with global regulatory standards and advancing its sustainability objectives.

[1] *Source from Bank Negara Malaysia – Economic and Financial Developments in Malaysia in the First Quarter of 2026*

Hence, the Group will continue to enhance operational efficiency and effectiveness through rigorous cost controls measures, optimising resource allocation and strengthened strategic planning, while remaining responsive to the evolving business landscape. The Group also remains committed to pursuing synergistic opportunities as well as actively exploring and pursuing potential business opportunities that complement its existing operations, with the aim of driving sustainable growth and long-term value creation for shareholders.

22. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?
None

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	First interim
Dividend type	Cash
Dividend amount per share	S$0.00165 per share
Tax rate	One tier exempt
Book closure date	24 July 2025
Date payable	6 August 2025

(c) Date payable
Please refer to Paragraph 20(a).

(d) Book closure date
Please refer to Paragraph 20(a).

23. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended by the Board for 1Q FY2027 in view of the need by the Group to conserve cash for working capital amidst the current challenging business environment.

24. Interested Person Transactions

Interested Persons	Aggregate value of interested person transactions entered into during the financial period under review (excluding transactions below S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a))	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S$100,000)
	RM'000	**RM'000**
Atlan Holdings Bhd	875	- (Note 1)

Note 1: The Company does not have any existing general mandate pursuant to Rule 920 of the Listing Rules.

25. Changes in the composition of the Group

There was no change in the composition of the Group during the current financial quarter under review.

26. Confirmation by the directors and executive officers pursuant to Rule 720(1) of the Listing Manual

The Board of Directors hereby confirms that all required undertakings pursuant to Rule 720(1) of the Listing Manual have been obtained from its Directors and Executive Officers in the format set out in Appendix 7.7 of the SGX-ST Listing Manual.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 31 May 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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

Singapore
14 July 2026