

Duty Free International Limited

(Company Registration No. 200102393E)

Condensed Interim Financial Statements
For the half year ended 31 August 2026

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

		Group Second quarter ended 31 August			Group Half year ended 31 August		
		2026	2025	Increase/	2026	2025	Increase/
		Note (Unaudited) RM'000	(Unaudited) RM'000	(decrease) %	(Unaudited) RM'000	(Audited) RM'000	(decrease) %
Revenue	5.1	71,778	42,620	68.4%	132,904	74,815	77.6%
Changes in inventories		(12,882)	(7,479)	72.2%	(19,507)	(1,963)	>100%
Inventories purchased and materials consumed		(31,989)	(20,825)	53.6%	(60,783)	(47,856)	27.0%
Other income	7.1(a)	735	2,094	(64.9%)	1,370	5,088	(73.1%)
Employee benefits expenses		(12,140)	(3,204)	>100%	(23,403)	(6,218)	>100%
Depreciation of property, plant and equipment		(2,493)	(637)	>100%	(5,022)	(1,280)	>100%
Depreciation of right-of-use assets		(581)	(2,116)	(72.5%)	(1,170)	(4,233)	(72.4%)
Depreciation of investment properties		(46)	–	100%	(91)	–	100%
Rental of premises		(162)	(257)	(37.0%)	(987)	(362)	>100%
Commission expenses		(285)	(61)	>100%	(298)	(119)	>100%
Professional fees		(426)	(946)	(55.0%)	(873)	(1,378)	(36.6%)
Sub-contractor charges		(3,782)	–	100%	(6,982)	–	100%
Utilities and maintenance expenses		(2,143)	(377)	>100%	(3,952)	(739)	>100%
Realised foreign exchange (loss)/gain		(24)	190	(>100%)	149	217	(31.3%)
Unrealised foreign exchange gain/(loss)		634	(189)	>100%	1,107	(268)	>100%
Other expenses	7.1(b)	(5,205)	(3,009)	73.0%	(9,797)	(5,939)	65.0%
Finance costs		(181)	(1,638)	(88.9%)	(384)	(3,318)	(88.4%)
Profit before tax		808	4,166	(80.6%)	2,281	6,447	(64.6%)
Income tax expense	8	(999)	(1,551)	(35.6%)	(2,109)	(2,389)	(11.7%)
(Loss)/profit for the period		(191)	2,615	(>100%)	172	4,058	(>100%)
Attributable to:							
Owners of the Company		(709)	2,603	(>100%)	(557)	4,030	(>100%)
Non-controlling interests		518	12	>100%	729	28	>100%
		(191)	2,615	(>100%)	172	4,058	(>100%)
(Loss)/profit per share for the period attributable to owners of the Company (sen per share)							
Basic		(0.06)	0.22		(0.05)	0.34	
Diluted		(0.06)	0.22		(0.05)	0.34	

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

	Group Second quarter ended 31 August			Group Half year ended 31 August		
	2026 (Unaudited) RM'000	2025 (Unaudited) RM'000	Increase/ (decrease) %	2026 (Unaudited) RM'000	2025 (Audited) RM'000	Increase/ (decrease) %
(Loss)/profit for the period	(191)	2,615	(>100%)	172	4,058	(>100%)
Other comprehensive (loss)/income:						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation	(1)	(1)	0.0%	(3)	5	(>100%)
Total comprehensive (loss)/income for the period	(192)	2,614	(>100%)	169	4,063	(>100%)
Attributable to:						
Owners of the Company	(710)	2,602	(>100%)	(560)	4,035	(>100%)
Non-controlling interests	518	12	>100%	729	28	>100%
Total comprehensive (loss)/income for the period	(192)	2,614	(>100%)	169	4,063	(>100%)

1(b) Condensed Interim Statement of Financial Position

		Group		Company	
	Note	31.08.2026 (Unaudited) RM'000	28.02.2026 (Audited) RM'000	31.08.2026 (Unaudited) RM'000	28.02.2026 (Audited) RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	118,963	123,696	—	—
Investment properties		6,241	2,121	—	—
Goodwill	11.1	5,818	5,818	—	—
Investments in subsidiaries		—	—	359,584	359,584
Investment in structured note		13,324	12,560	13,324	12,560
Development rights	11.2	18,517	18,517	—	—
Deferred tax assets		1,071	1,159	—	—
Right-of-use assets		24,104	25,269	—	—
Other investment		136	136	—	—
		188,174	189,276	372,908	372,144
Current assets					
Biological assets		148	209	—	—
Trade and other receivables	6.1	20,211	17,403	202	169
Prepayments		1,521	1,589	8	—
Inventories		59,367	78,763	—	—
Capitalised contract cost		790	479	—	—
Cash and bank balances		111,782	107,370	15,837	15,775
Tax recoverable		3,672	1,177	—	8
		197,491	206,990	16,047	15,952
Total assets		385,665	396,266	388,955	388,096
Equity and liabilities					
Current liabilities					
Trade and other payables	6.2	49,351	57,124	52,819	58,494
Borrowings	13	3,715	6,416	—	—
Lease liabilities		1,392	1,467	—	—
Employee benefits		593	655	—	—
Income tax payable		310	963	6	—
		55,361	66,625	52,825	58,494
Net current assets/(liabilities)		142,130	140,365	(36,778)	(42,542)

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

	Note	Group		Company	
		31.08.2026 (Unaudited) RM'000	28.02.2026 (Audited) RM'000	31.08.2026 (Unaudited) RM'000	28.02.2026 (Audited) RM'000
Non-current liabilities					
Borrowings	13	7,673	7,064	–	–
Deferred tax liabilities		11,154	11,195	2,434	2,430
Employee benefits		1,116	1,116	–	–
Lease liabilities		3,532	4,142	–	–
		23,475	23,517	2,434	2,430
Total liabilities		78,836	90,142	55,259	60,924
Net assets		306,829	306,124	333,696	327,172
Equity attributable to owners of the Company					
Share capital	14	487,903	487,903	978,725	978,725
Treasury shares		(22,017)	(22,017)	(22,017)	(22,017)
Other reserves		(261,114)	(261,647)	1,197	661
Retained earnings/(accumulated losses)		100,770	101,327	(624,209)	(630,197)
		305,542	305,566	333,696	327,172
Non-controlling interests		1,287	558	–	–
Total equity		306,829	306,124	333,696	327,172
Total equity and liabilities		385,665	396,266	388,955	388,096

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

	Attributable to owners of the Company											
	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	Warrant 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
Group												
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
(Loss)/profit for the period	–	–	–	–	–	–	–	–	(557)	(557)	729	172
Other comprehensive income for the period	–	–	(3)	(3)	–	–	–	–	–	(3)	–	(3)
Total comprehensive (loss)/income for the period	–	–	(3)	(3)	–	–	–	–	(557)	(560)	729	169
<u>Transactions with owners:</u>												
Proceeds from issuance of warrants	–	–	1,272	–	–	–	–	1,272	–	1,272	–	1,272
Warrant issuance expenses	–	–	(736)	–	–	–	–	(736)	–	(736)	–	(736)
	–	–	536	–	–	–	–	536	–	536	–	536
Closing balance at 31 August 2026	487,903	(22,017)	(261,114)	682	(178,818)	661	(84,175)	536	100,770	305,542	1,287	306,829

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

	Attributable to owners of the Company										
	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
Group											
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	—	—	—	—	—	—	—	4,030	4,030	28	4,058
Other comprehensive income for the period	—	—	5	5	—	—	—	—	5	—	5
Total comprehensive income for the period	—	—	5	5	—	—	—	4,030	4,035	28	4,063
<u>Transactions with owners:</u>											
Dividend on ordinary shares	—	—	—	—	—	—	—	(6,522)	(6,522)	—	(6,522)
Transfer to retained earnings	—	—	(1,033)	—	—	—	(1,033)	1,033	—	—	—
Total transactions with owners	—	—	(1,033)	—	—	—	(1,033)	(5,489)	(6,522)	—	(6,522)
Closing balance at 31 August 2025	487,903	(22,017)	(177,479)	678	(178,818)	661	—	83,533	371,940	183	372,123

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

	Ordinary shares RM'000	Treasury shares RM'000	Other 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
Profit for the period	–	–	–	5,988	5,988
Total comprehensive income for the period	–	–	–	5,988	5,988
<u>Transactions with owners:</u>					
Proceeds from issuance of warrants	–	–	1,272	–	1,272
Warrant issuance expenses	–	–	(736)	–	(736)
Total transactions with owners	–	–	536	–	536
Closing balance at 31 August 2026	978,725	(22,017)	1,197	(624,209)	333,696

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

	Ordinary shares RM'000	Treasury shares RM'000	Other 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
Profit for the period	–	–	–	7,379	7,379
Total comprehensive income for the period	–	–	–	7,379	7,379
<u>Transactions with owners:</u>					
Dividend on ordinary shares	–	–	–	(6,522)	(6,522)
Total transactions with owners	–	–	–	(6,522)	(6,522)
Closing balance at 31 August 2025	978,725	(22,017)	661	(625,788)	331,581

1(d) Condensed Interim Consolidated Statement of Cash Flows

	Group Second quarter ended 31 August		Group Half year ended 31 August	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	808	4,166	2,281	6,447
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	2,493	637	5,022	1,280
Depreciation of right-of-use assets	581	2,116	1,170	4,233
Depreciation of investment properties	46	—	91	—
Finance costs	181	1,638	384	3,318
Loss on lease termination	2	—	2	—
Loss/(gain) arising from changes in fair values of biological assets	46	92	61	(42)
Loss/(gain) on disposal of property, plant and equipment	225	(1)	153	(133)
Interest income	(595)	(1,613)	(1,076)	(3,816)
Reversal of inventories written down	(223)	(106)	(112)	(321)
Reversal of impairment loss on trade and other receivables	—	—	(20)	—
Net unrealised foreign exchange (gain)/loss	(634)	189	(1,107)	268
Operating cash flows before changes in working capital	2,930	7,118	6,849	11,234
<u>Changes in working capital</u>				
Decrease/(increase) in trade and other receivables	680	2,632	(3,109)	3,760
Decrease in prepayments	699	585	68	5,507
Decrease in inventories	12,882	7,479	19,507	1,963
Increase/(decrease) in trade and other payables	438	(8,000)	(7,825)	(5,907)
Cash flows generated from operations	17,629	9,814	15,490	16,557
Interest paid	(148)	(1,607)	(320)	(3,258)
Income taxes paid	(2,060)	(603)	(5,208)	(1,876)
Net cash flows generated from operating activities	15,421	7,604	9,962	11,423

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

	Group Second quarter ended 31 August		Group Half year ended 31 August	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Interest received	595	1,613	1,076	3,816
Placement of deposits with a licensed bank with maturities of more than three months	(7,000)	–	(7,000)	–
Proceeds from disposal of property, plant and equipment	316	1	388	133
Purchase of property, plant and equipment	(2,886)	(92)	(5,041)	(303)
Incidental costs in relation to development rights	–	–	–	(5,017)
Net cash flows (used in)/generated from investing activities	(8,975)	1,522	(10,577)	(1,371)
Cash flows from financing activities				
(Increase)/decrease in pledged fixed deposits	–	(93)	7,595	(93)
Proceeds from/(repayment of) borrowings	12	–	(2,092)	–
Payment of principal portion of lease liabilities	(385)	(1,660)	(755)	(3,287)
Net proceeds from issuance of Warrants	536	–	536	–
Dividends paid to the ordinary shareholders of the Company	–	(6,522)	–	(6,522)
Net cash generated from/(used in) financing activities	163	(8,275)	5,284	(9,902)
Net increase in cash and cash equivalents	6,609	851	4,669	150
Effects of foreign exchange rate changes	188	(28)	338	(224)
Cash and cash equivalents at beginning of the period	94,757	222,016	96,547	222,913
Cash and cash equivalents at end of period	101,554	222,839	101,554	222,839

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

	Group		Group	
	Second quarter ended		Half year ended	
	31 August		31 August	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents comprise of:				
Cash and deposits with licensed banks	111,782	230,376	111,782	230,376
Deposits with a licensed bank with maturities of more than three months	(7,000)	—	(7,000)	—
Deposits pledged with licensed banks	(3,228)	(7,537)	(3,228)	(7,537)
Cash and cash equivalents	101,554	222,839	101,554	222,839

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 August 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-month period and half year ended 31 August 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 year 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-month period and half year ended 31 August 2026.

4. Seasonal operations

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

5. Revenue and segment information

5.1 Revenue

	Group Second quarter ended 31 August		Group Half year ended 31 August	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Sale of goods	70,583	41,790	130,497	72,998
Sale of fresh oil palm fruit bunches	584	830	1,184	1,817
Rental income	611	–	1,223	–
	71,778	42,620	132,904	74,815
Timing of transfer of goods and services				
At a point in time	71,167	42,620	131,681	74,815
Over a period of time	611	–	1,223	–
	71,778	42,620	132,904	74,815

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 and rental income.

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented.

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Notes to the condensed interim consolidated financial statements
For the financial period ended 31 August 2026

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	
	Second quarter ended 31 August		Second quarter ended 31 August		Second quarter ended 31 August		Second quarter ended 31 August			Second quarter ended 31 August	
	2026	2025	2026	2025	2026	2025	2026	2025		2026	2025
<u>Second quarter:</u>	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	54,809	—	15,773	41,790	1,196	830	—	—		71,778	42,620
Inter-segment sales	—	—	—	—	7,494	8,144	(7,494)	(8,144)	A	—	—
Total revenue	54,809	—	15,773	41,790	8,690	8,974	(7,494)	(8,144)		71,778	42,620
Interest income	175	—	91	512	361	1,101	(32)	—		595	1,613
Miscellaneous income	22	—	78	466	71	60	(31)	(45)		140	481
Total revenue and other income	55,006	—	15,942	42,768	9,122	10,135	(7,557)	(8,189)		72,513	44,714

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Notes to the condensed interim consolidated financial statements
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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	
	Second quarter ended 31 August		Second quarter ended 31 August		Second quarter ended 31 August		Second quarter ended 31 August			Second quarter ended 31 August	
	2026	2025	2026	2025	2026	2025	2026	2025		2026	2025
<u>Second quarter:</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Results											
Depreciation and amortisation	(2,049)	—	(694)	(2,500)	(377)	(373)	—	120		(3,120)	(2,753)
Finance costs	(132)	—	(49)	(1,663)	(32)	—	32	25		(181)	(1,638)
Other non-cash income/(expenses)	(85)	—	(41)	1,791	686	6,742	—	74	B	560	8,607
Segment profit/(loss)	4,606	—	(2,973)	4,668	6,669	7,497	(7,494)	(7,999)	C	808	4,166
Additions to non-current assets	2,820	—	66	45	—	47	—	—	D	2,886	92

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Notes to the condensed interim consolidated financial statements
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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	
	Half year ended 31 August		Half year ended 31 August		Half year ended 31 August		Half year ended 31 August			Half year ended 31 August	
<u>Half year:</u>	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	102,672	—	27,825	72,998	2,407	1,817	—	—		132,904	74,815
Inter-segment sales	—	—	—	—	7,494	8,308	(7,494)	(8,308)	A	—	—
Total revenue	102,672	—	27,825	72,998	9,901	10,125	(7,494)	(8,308)		132,904	74,815
Interest income	351	—	102	1,493	686	2,323	(63)	—		1,076	3,816
Miscellaneous income	40	—	172	1,233	191	166	(109)	(127)		294	1,272
Total revenue and other income	103,063	—	28,099	75,724	10,778	12,614	(7,666)	(8,435)		134,274	79,903

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Notes to the condensed interim consolidated financial statements
For the financial period ended 31 August 2026

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	
	Half year ended 31 August		Half year ended 31 August		Half year ended 31 August		Half year ended 31 August			Half year ended 31 August	
<u>Half year:</u>	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
Results											
Depreciation and amortisation	(4,168)	—	(1,360)	(5,008)	(755)	(745)	—	240		(6,283)	(5,513)
Finance costs	(284)	—	(100)	(3,369)	(63)	—	63	51		(384)	(3,318)
Other non-cash income/(expenses)	107	—	(66)	528	1,131	(165)	—	(43)	B	1,172	320
Segment profit/(loss)	7,958	—	(4,773)	6,493	6,590	6,205	(7,494)	(6,251)	C	2,281	6,447
Additions to non-current assets	4,730	—	311	232	—	71	—	—	D	5,041	303

DUTY FREE INTERNATIONAL LIMITED
(Company Registration No. 200102393E)
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Notes to the condensed interim consolidated financial statements
For the financial period ended 31 August 2026

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	
	31.08.2026	28.02.2026	31.08.2026	28.02.2026	31.08.2026	28.02.2026	31.08.2026	28.02.2026		31.08.2026	28.02.2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Segment assets	162,762	167,421	85,486	102,662	132,674	123,847	4,743	2,336	E	385,665	396,266
Segment liabilities	53,846	63,688	7,800	8,039	5,726	6,257	11,464	12,158	F	78,836	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 loss/gain arising from change in fair values of biological assets, reversal of inventories written down, gain/loss on disposal of property, plant and equipment and net foreign exchange loss.
- C The following items were deducted from segment results to arrive at profit before tax presented in the income statement:

	Second quarter ended 31 August		Half year ended 31 August	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Inter-segment transactions	(7,494)	(7,999)	(7,494)	(6,251)

- D Additions to non-current assets consist of:

	Second quarter ended 31 August		Half year ended 31 August	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	2,886	92	5,041	303

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 31.08.2026 RM'000	As at 28.02.2026 RM'000
Deferred tax assets	1,071	1,159
Tax recoverable	3,672	1,177
	<u>4,743</u>	<u>2,336</u>

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

	As at 31.08.2026 RM'000	As at 28.02.2026 RM'000
Deferred tax liabilities	11,154	11,195
Income tax payable	310	963
	<u>11,464</u>	<u>12,158</u>

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities at amortised cost of the Group and Company as at 31 August 2026 and 28 February 2026:

6.1 Financial assets

	Group		Company	
	31.08.2026	28.02.2026	31.08.2026	28.02.2026
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables:				
Trade receivables	18,547	13,004	—	—
Deposits	1,066	1,272	—	—
Due from subsidiary	—	—	198	148
Sundry receivables	598	3,127	4	21
Total trade and other receivables	20,211	17,403	202	169
<i>Add:</i> Cash and bank balances	111,782	107,370	15,837	15,775
Total financial assets carried at amortised cost	131,993	124,773	16,039	15,944

6.2 Financial liabilities

	Group		Company	
	31.08.2026	28.02.2026	31.08.2026	28.02.2026
	RM'000	RM'000	RM'000	RM'000
Trade and other payables:				
Trade payables	18,331	21,158	—	—
Accruals	4,192	9,186	834	933
Accrued payroll related expenses	8,018	8,611	—	—
Deposit received from customers	5,953	6,093	—	—
Rental payables	646	30	—	—
Other deposits received	4,097	4,505	—	—
Royalty payables	1,189	1,498	—	—
Due to subsidiary	—	—	51,945	57,559
Sundry payables	6,925	6,043	40	2
Total trade and other payables	49,351	57,124	52,819	58,494
<i>Add:</i> Borrowings	11,388	13,480	—	—
Total financial liabilities carried at amortised cost	60,739	70,604	52,819	58,494

7. Profit before taxation

7.1 Significant items

(a) Other income

	Group Second quarter ended 31 August		Group Half year ended 31 August	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Interest income from licensed banks	595	1,548	1,076	3,397
Interest income from Berjaya Waterfront Sdn Bhd	—	65	—	419
Rental income from property, plant and equipment	118	123	236	246
(Loss)/gain on disposal of property, plant and equipment	(225)	1	(153)	133
Reversal of inventories written down	223	106	112	321
Reversal of impairment loss on trade and other receivables	—	—	20	—
Miscellaneous income	24	251	79	572
	735	2,094	1,370	5,088

7. Profit before taxation (cont'd)

7.1 Significant items (cont'd)

(b) Other operating expenses

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

	Group		Group	
	Second quarter ended		Half year ended	
	31 August		31 August	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Assessment and quit rent	357	284	801	542
Auditors' remuneration	220	173	440	362
Bank charges	136	143	281	288
Directors' remuneration	307	218	528	410
Insurance premium	198	225	413	438
Licences and permits	160	128	327	258
Loss/(gain) arising from changes in fair value of biological assets	46	92	61	(42)
Loss on lease termination	2	—	2	—
Management fees	792	500	1,667	1,000
Packing materials	104	39	214	64
Printing and stationery	152	99	205	146
Royalties	467	—	924	—
Security services	174	82	343	163
Transportation costs	601	220	759	446
Travelling expenses	214	82	484	172
Miscellaneous expenses	1,275	724	2,348	1,692
	5,205	3,009	9,797	5,939

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		Group	
	Second quarter ended		Half year ended	
	31 August		31 August	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Related company:				
- Management fee	792	500	1,667	1,000

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 Second quarter ended 31 August		Group Half year ended 31 August	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Current income tax expense	953	1,425	2,062	2,109
Deferred income tax expense relating to origination and reversal of temporary difference	46	126	47	280
Income tax expense recognised in profit or loss	999	1,551	2,109	2,389

9. Net asset value

	Group		Company	
	As at 31 August 2026	As at 28 February 2026	As at 31 August 2026	As at 28 February 2026
Net asset value per ordinary share (sen)	25.50	25.50	27.85	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 (excluding treasury shares).

10. 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 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.

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 August 2026				
Non-financial assets:				
- Biological assets	–	–	148	148
Financial assets:				
- Investment in structured notes	–	–	13,324	13,324
At 28 February 2026				
Non-financial assets:				
- Biological assets	–	–	209	209
Financial assets:				
- Investment in structured notes	–	–	12,560	12,560

11. Intangible assets

11.1 Goodwill

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

The cash-generating units ("CGU") to which goodwill have been allocated were tested for impairment as at 31 August 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 August 2026.

11.2 Development rights

	Group	
	31.08.2026	28.02.2026
	RM'000	RM'000
Development rights	13,500	13,500
Incidental costs	5,017	5,017
	<u>18,517</u>	<u>18,517</u>

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 position 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, which were recognised as part of the development rights.

12. Property, plant and equipment

During the half year ended 31 August 2026, the Group acquired assets amounting to RM5,041,000 (31 August 2025: RM303,000).

13. Borrowings

	Group	
	31.08.2026	28.02.2026
	RM'000	RM'000
Amount repayable within one year or on demand		
Secured:		
Trade facilities	2,017	4,718
Term loan	1,698	1,698
	<u>3,715</u>	<u>6,416</u>
Amount repayable after one year		
Secured:		
Term loan	7,673	7,064
	<u>7,673</u>	<u>7,064</u>
Total borrowings	<u>11,388</u>	<u>13,480</u>

Certain 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

Ordinary Shares

	Number of ordinary shares		Amount	
	31.08.2026	28.02.2026	31.08.2026	28.02.2026
	'000	'000	RM'000	RM'000
Group				
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 August 2026 was 30,999,300 (28 February 2026: 30,999,300).

14. Share capital (cont'd)

Outstanding Convertible Securities

	Company	
	As at	As at
	31.08.2026	28.02.2026
Number of outstanding convertible securities ('000)	399,400	—
Number of ordinary shares upon conversion of convertibles ('000)	399,400	—
Total number of ordinary shares issued excluding treasury shares ('000)	1,198,200	1,198,200
As a percentage of total ordinary shares issued (%)	33.3	—

As disclosed in Note 15(b) of this report, the Company completed its renounceable non-underwritten rights issue of up to 399,400,096 Warrants on the basis of one (1) Warrant for every three (3) existing ordinary shares held as at 22 June 2026 ("the Record Date"). On 15 July 2026, all 399,400,096 Warrants were allotted and issued to Shareholders who had validly subscribed for the Warrants as at 5.00 p.m. on 9 July 2026 pursuant to the Proposed Warrants Issue. The Warrants were subsequently listed and quoted on the Official List of the SGX-ST with effect from 9.00 a.m. on 20 July 2026.

As at 31 August 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. In addition, the Company had 399,400,096 outstanding Warrants, with each Warrant carrying the right to subscribe for one (1) new ordinary share at an exercise price of S\$0.085 per Warrant and expiring on 14 July 2031.

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

15. Significant 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, 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.

15. Significant events (cont'd)

- (b) 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 (the "Record Date"). 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").

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.

The Company completed its renounceable non-underwritten rights issue of up to 399,400,096 Warrants ("Warrants Issue"), offered on the basis of one (1) Warrant for every three (3) existing ordinary shares held by entitled shareholders as at the Record Date. As at the closing date on 9 July 2026, valid acceptances and excess applications were received for a total of 976,046,617 Warrants, representing approximately 244.4% of the total number of Warrants available under the Warrants Issue. Following the completion of the Warrants Issue, all 399,400,096 Warrants were duly allotted and issued on 15 July 2026.

The Company raised net subscription proceeds of approximately S\$0.2 million, after deducting estimated expenses of approximately S\$0.2 million. The net proceeds are intended for the Group's general working capital requirements, including corporate administrative expenses, operating expenses and other payables.

On 20 July 2026, the Warrants were listed and quoted on the Mainboard of the SGX-ST and trading commenced on the same date. Each Warrant entitles the holder to subscribe for one (1) new ordinary share of the Company during the exercise period, subject to the terms and conditions set out in the Deed Poll. The Warrants have an exercise period of five (5) years from the date of issue.

Please refer to the Company's announcements dated 7 May 2026, 2 June 2026, 12 June 2026, 24 June 2026, 14 July 2026 and 16 July 2026 on SGX-ST website for further information on the Proposed Warrants Issue.

16. 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.

16. Material litigation (cont'd)

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, affidavits and written submissions. An additional written submissions (on inter alia the latest construction works by the authorities affecting the subject lands) will be filed on 6 November 2026. The reference proceedings are scheduled to be heard by the High Court on 26 November 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.

17. Review

The condensed consolidated statement of financial position of Duty Free International Limited and its subsidiaries as at 31 August 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 six-month period and certain explanatory notes have not been audited or reviewed.

18. Review of performance of the Group

Consolidated Statement of Comprehensive Income

Second quarter ended 31 August 2026 ("2Q FY2027") vs Second quarter ended 31 August 2025 ("2Q FY2026")

Revenue

The Group recorded revenue of RM71.8 million in 2Q FY2027, representing an increase of RM29.2 million compared to RM42.6 million in 2Q FY2026. The increase was primarily attributable to the revenue contribution of RM54.6 million from United Industries Group ("UIG"), following the Company's acquisition on 31 October 2025. This was partially offset by a decline of RM26.0 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 2Q FY2027, the value of the closing inventories was lower than the value of the opening inventories by RM12.9 million. In 2Q FY2026, the value of the closing inventories was lower by RM7.5 million. This resulted in a variance of RM5.4 million for 2Q FY2027 vis-à-vis 2Q FY2026, primarily attributable to increased consumption of inventories in the respective quarters.

Inventories purchased and materials consumed

Inventories purchased and materials consumed increased by 53.6% or RM11.2 million, from RM20.8 million in 2Q FY2026 to RM32.0 million in 2Q 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 RM1.4 million or 64.9%, from RM2.1 million in 2Q FY2026 to RM0.7 million in 2Q FY2027. The decrease was mainly attributable to lower interest income of RM1.0 million as well as lower sundry income of RM0.2 million in the current reporting quarter.

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

Consolidated Statement of Comprehensive Income (cont'd)

Employee benefits expenses

Employee benefits expenses increased by RM8.9 million, from RM3.2 million in 2Q FY2026 to RM12.1 million in 2Q FY2027. The increase was mainly attributable to the consolidation of payroll expenses of the newly acquired UIG amounting to RM10.1 million in the current quarter, partially offset by a RM1.4 million reduction in payroll expenses in the duty-free retail segment, primarily due to lower headcount 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 2Q FY2026 to RM2.5 million in 2Q 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 2Q FY2026 to RM0.6 million in 2Q FY2027. The decrease was primarily attributable to the termination of the lease agreement for the Johor Bahru outlet in the last quarter of FY2026 following the cessation of its business operations.

Professional fees

Professional fees decreased by RM0.5 million in the current quarter compared to 2Q FY2026, mainly due to lower consultancy fees relating to corporate exercises incurred during the current quarter under review.

Sub-contractor charges

The sub-contractor charges for 2Q FY2027 was RM3.8 million, representing costs incurred for the engagement of third-party service providers to support certain manufacturing-related activities of the newly acquired subsidiary, UIG.

Utilities and maintenance expenses

Utilities and maintenance expenses increased by RM1.7 million, compared with RM0.4 million in 2Q FY2026. The increase was mainly attributable to the consolidation of utilities and maintenance costs of RM1.9 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.

Unrealised foreign exchange gain

The unrealised foreign exchange gain for 2Q FY2027 mainly due to translation gains on the Group's foreign currency deposits and investments in structured notes denominated in Singapore dollars ("SGD").

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

Consolidated Statement of Comprehensive Income (cont'd)

Finance costs

Finance costs decreased by RM1.4 million or 88.9%, from RM1.6 million in 2Q FY2026 to RM0.2 million in 2Q 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.

Other Operating expenses

The Group incurred higher other operating expenses in 2Q FY2027 by RM2.2 million, compared to RM3.0 million in 2Q FY2026. The increase was mainly attributable to the consolidation of operating expenses of approximately RM2.1 million from the newly acquired UIG as well as higher management fees of approximately RM0.3 million during the period under review.

Profit before income tax

The Group reported a profit before income tax of RM0.8 million for 2Q FY2027, which was RM3.4 million lower than the RM4.2 million recorded in 2Q 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.

Half year ended 31 August 2026 ("6M FY2027") vs Half year ended 31 August 2025 ("6M FY2026")

The Group recorded revenue of RM132.9 million for 6M FY2027, representing an increase of 77.6% or RM58.1 million compared to RM74.8 million recorded in 6M FY2026. The increase in revenue was mainly contributed by the newly acquired manufacturing and supply of automotive component parts business.

The Group recorded a profit before income tax of RM2.3 million for 6M FY2027, which was RM4.1 million lower compared to RM6.4 million in 6M FY2026. The lower profit before income tax was primarily attributable to the negative contribution from the duty-free retail segment following the cessation of operations at the Johor and Langkawi outlets in the previous financial year coupled with lower interest income of RM2.0 million during the current period under review. The adverse impact was partially offset by the positive contribution from the newly acquired manufacturing and supply of automotive component parts business, which contributed RM7.7 million to the Group's profit before income tax for the six-month period under review.

The remaining expenses in the Group's income statement for 2Q FY2027 were largely consistent with those recorded in 2Q FY2026.

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

Consolidated Statement of Financial Position

Property, plant and equipment

The decrease in the net book value of property, plant and equipment of RM4.7 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 RM5.0 million. This was partially offset by additions to assets amounting to RM5.0 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 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 RM1.2 million was mainly attributable to depreciation charges of RM1.2 million during the six-month period under review.

Trade receivables and other receivables

The increase in trade and other receivables of RM2.8 million was mainly attributable to higher trade receivables of RM5.5 million, from RM13.0 million as at 28 February 2026 to RM18.5 million as at 31 August 2026. However, the increase was partially offset by a decrease in sundry receivables of RM2.5 million. The movements in both trade and sundry receivables were mainly due to timing differences in collections.

Inventories

The decrease in inventories of RM19.4 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 RM7.7 million was primarily attributable to lower trade payables of RM2.9 million and a reduction in accruals of RM5.0 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.

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

Consolidated Statement of Financial Position (cont'd)

Borrowings (current and non-current)

Total borrowings decreased by RM2.1 million, from RM13.5 million as at 28 February 2026 to RM11.4 million as at 31 August 2026, primarily due to lower utilisation of trade facilities by RM2.7 million.

Consolidated Statement of Cashflow

The higher net cash inflow from operating activities of RM15.4 million in 2Q FY2027, compared to RM7.6 million in 2Q FY2026 was primarily driven by lower net cash utilised for working capital during the current quarter under review.

The net cash flows used in investing activities in 2Q FY2027 was RM9.0 million, compared with cash flow generated of RM1.5 million in 2Q FY2026. The net cash outflow in the current quarter was mainly attributable to the placement of deposits with a licensed bank with maturities exceeding three months amounting to RM7.0 million and higher purchases of property, plant and equipment amounting to RM2.8 million, partially offset by interest received of RM0.6 million and proceeds from the disposal of property, plant and equipment of RM0.3 million.

The net cash inflow from financing activities for the current quarter was RM0.2 million, compared to a net cash outflow of RM8.3 million in 2Q FY2026. This was mainly attributable to lower repayments of the principal portion of lease liabilities amounting to RM1.3 million following the termination of certain leases as well as the absence of dividend payments during the current quarter compared to the corresponding quarter of the previous financial year.

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

Not applicable.

20. 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 6.0% in the second quarter of 2026 (1Q 2026: 5.4%), driven primarily by resilient domestic demand and robust export performance. Household spending remained supported by steady income growth and ongoing policy measures, while growth in the services and manufacturing sectors continued to underpin overall economic activity. However, headline inflation increased to 1.9% in

2Q 2026 (1Q 2026: 1.6%), mainly driven by higher external cost pressures, including increased fuel prices amid geopolitical tensions in the Middle East. ¹

In view of the above, the Group anticipates that the operating environment for both the manufacturing and duty-free retail business segments will remain challenging throughout financial year 2027. This is largely due to persistent global inflationary pressures which continue to contribute to higher product, labour and operating costs, while dampening consumer and household spending amid sustained cost-of-living pressures. The uncertain economic environment and increasingly cautious consumer spending behaviour may continue to weigh on overall market demand. Furthermore, following the cessation of operations at the Johor and Langkawi duty-free outlets in the fourth quarter of the previous financial year, the scale of the Group's duty-free retail operations has been reduced significantly. Accordingly, the Group expects the revenue and profitability contribution from the duty-free retail segment to remain soft over the next twelve months.

Conversely, the manufacturing segment under UIG 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 and industry relationships 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. 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.

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 and capabilities, with the aim of driving sustainable growth and long-term value creation for shareholders.

¹ Source from Bank Negara Malaysia – Economic and Financial Developments in Malaysia in the Second Quarter of 2026

21. 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?
None
- (c) **Date payable**
Not applicable
- (d) **Book closure date**
Not applicable

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

No dividend has been declared or recommended by the Board for 2Q FY2027 in view of the need by the Group to conserve cash for working capital amidst the current challenging business environment.

23. 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	1,667	- (Note 1)

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

24. Use of proceeds from the subscription of warrants

The Company had, on 15 July 2026 completed its renounceable non-underwritten rights issue, pursuant to which 399,400,096 warrants were duly allotted and issued, raising total net subscription proceeds of S\$0.2 million, after deducting expenses of approximately S\$0.2 million incurred in connection with the warrant issue.

The net proceeds from the abovementioned warrant subscription are intended to be utilised for general working capital purposes, including but not limited to corporate administrative expenses, operating expenses and other payables of the Group's business.

As at the date of this announcement, the Company has not utilised any of the net subscription proceeds of S\$0.2 million. The Company will make periodic announcements as and when the net proceeds are materially disbursed.

25. Changes in the composition of the Group

Save as disclosed below, there were no other changes in the composition of the Group during the current financial period under review.

As previously disclosed in the quarterly report for the preceding financial year, the Company had on 3 December 2025 and 17 December 2025 submitted applications to the Companies Commission of Malaysia for the striking off of its wholly-owned subsidiaries, Tenggara Senandung Sdn. Bhd. and Zon Emporium Sdn. Bhd., respectively.

The striking-off process for Tenggara Senandung Sdn. Bhd. and Zon Emporium Sdn. Bhd. was completed on 8 June 2026 and 20 July 2026 respectively. Accordingly, both entities ceased to be subsidiaries of the Company.

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 August 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
13 October 2026