



**Annual Report**  Laporan Tahunan

**2025**

# CHARTING A NEW DIRECTION

At ATLAN, progress means more than just profits. We believe in unlocking possibilities by thinking beyond the conventional. Our commitment lies in exploring new technologies, forging meaningful partnerships, and embracing bold ideas – all to deliver greater value to our stakeholders.



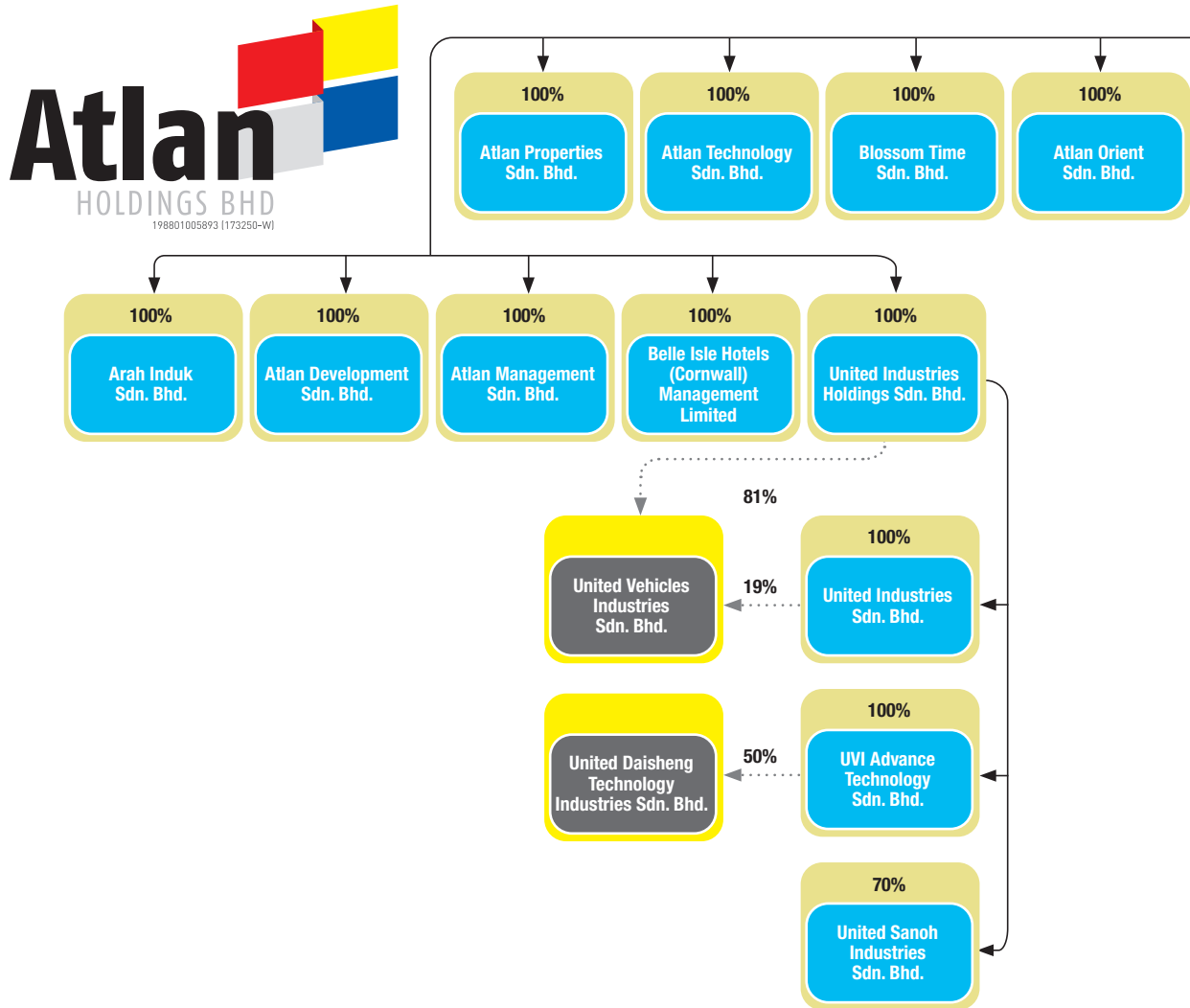
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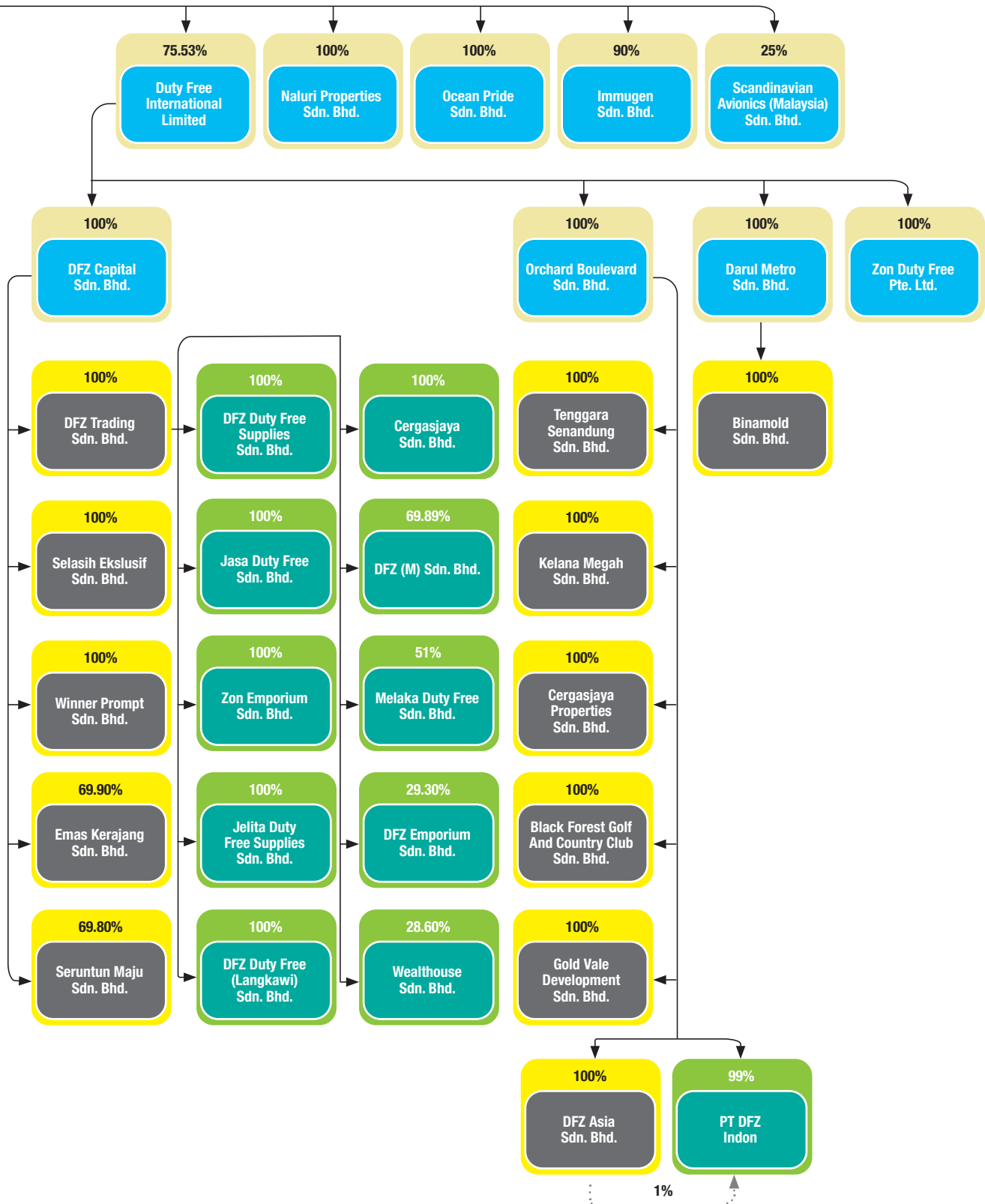
# Corporate Structure

(as at 6 June 2025)



# Corporate Structure

(Cont'd)



# Corporate Information

**DATO' SRI ADAM SANI  
BIN ABDULLAH**

Executive Chairman

**LEE SZE SIANG**

Executive Director

**DATO' SRI ROBIN TAN  
YEONG CHING**

Non-Independent Non-Executive Director

**TAN THIAM CHAI**

Non-Independent Non-Executive Director

**TUAN HAJI MOHD JAFFAR  
BIN AWANG (ISMAIL)**

Senior Independent Non-Executive Director

**DATO' WOO HON KONG**

Independent Non-Executive Director

**RAJA DATO' SRI SHAHARUDIN  
SHAH BIN RAJA JALIL SHAH**

Independent Non-Executive Director

**DATO' DR ABDUL RAZAK  
BIN ABDUL**

Independent Non-Executive Director

**DATUK ZAWATI  
BINTI ABD RAHMAN**

Independent Non-Executive Director

# BOARD OF DIRECTORS

## AUDIT AND RISK MANAGEMENT COMMITTEE

Dato' Dr Abdul Razak Bin Abdul (Chairman)  
Tuan Haji Mohd Jaffar Bin Awang (Ismail)  
Raja Dato' Sri Shaharudin Shah Bin  
Raja Jalil Shah  
Datuk Zawati Binti Abd Rahman

## REMUNERATION COMMITTEE

Raja Dato' Sri Shaharudin Shah Bin  
Raja Jalil Shah (Chairman)  
Tuan Haji Mohd Jaffar Bin Awang (Ismail)  
Dato' Dr Abdul Razak Bin Abdul

## NOMINATION COMMITTEE

Tuan Haji Mohd Jaffar Bin Awang (Ismail)  
(Chairman)  
Raja Dato' Sri Shaharudin Shah Bin  
Raja Jalil Shah  
Dato' Dr Abdul Razak Bin Abdul

## COMPANY SECRETARIES

Chua Siew Chuan  
(SSM PC No. 201908002648, MAICSA 0777689)

Poh Ming Yi  
(SSM PC No. 202408000861, LS0010863)

# Corporate Information

(Cont'd)

## REGISTERED OFFICE

17<sup>th</sup> Floor, Menara Atlan  
161B Jalan Ampang  
50450 Kuala Lumpur, Malaysia

Tel : 603 – 2179 2000  
Fax : 603 – 2179 2390  
Email : ir@atlan.com.my

## INVESTOR RELATIONS

Lee Sze Siang  
17<sup>th</sup> Floor, Menara Atlan  
161B Jalan Ampang  
50450 Kuala Lumpur, Malaysia

Tel : 603 – 2179 2000  
Fax : 603 – 2179 2390  
Email : ir@atlan.com.my

## CORRESPONDENCE ADDRESS

17<sup>th</sup> Floor, Menara Atlan  
161B Jalan Ampang  
50450 Kuala Lumpur, Malaysia

Tel : 603 – 2179 2000  
Fax : 603 – 2179 2390  
Web : <https://www.atlan.com.my>

## SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.  
Registration No. 197701005827 (36869-T)  
Level 7, Menara Milenium, Jalan Damanlela  
Pusat Bandar Damansara, Damansara Heights  
50490 Kuala Lumpur, Malaysia

Tel : 603 – 2084 9000  
Fax : 603 – 2094 9940 /  
603 – 2095 0292  
Email : info@sshhsb.com.my

## PRINCIPAL BANKERS

Affin Bank Berhad  
Alliance Bank Malaysia Berhad  
CIMB Bank Berhad  
RHB Bank Berhad  
OCBC Bank (Malaysia) Bhd

## AUDITORS

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Block J , Level 13A, Wisma AIA  
Jalan Seri Tanjung Pinang  
Tanjung Tokong  
10470 Pulau Pinang  
Tel : 604 – 688 1888  
Fax : 604 – 688 1808

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : Atlan  
Stock Code : 7048  
Stock Sector : Consumer Products  
& Services  
Listing Date : 15 January 1996

# Profile of Directors

## Dato' Sri Adam Sani Abdullah

Executive Chairman

AGE

69

Gender



Nationality



**DATO' SRI ADAM SANI ABDULLAH**, was appointed as Chairman of the Company on 16 June 2000 and subsequently re-designated as Executive Chairman on 14 January 2022.

Dato' Sri Adam is a self-made entrepreneur for more than 45 years. He received his primary education in Malaysia and secondary education in the United Kingdom.

He is also the Non-Executive Chairman of Duty Free International Limited, a company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

Dato' Sri Adam does not have any family relationship with any director.

Dato' Sri Adam has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. Other than our Company, Dato' Sri Adam does not hold any directorship in public companies and public listed companies.

Dato' Sri Adam has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

## Lee Sze Siang

Executive Director

AGE

55

Gender



Nationality



**LEE SZE SIANG**, was appointed as Executive Director of the Company on 16 June 2000. He was re-designated to Non-Executive Director on 27 December 2004 and subsequently re-designated as Executive Director of the Company on 8 October 2008.

He holds a professional qualification from the Australia Society of Certified Practising Accountants. He is also a member of the Malaysian Institute of Accountants. Previously, he was with KPMG, a firm of public accountants.

He is the Executive Director (Finance and Corporate Services) of Duty Free International Limited, a company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

Other than our Company, he does not hold any directorship in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# Profile of Directors

(Cont'd)

## Dato' Sri Robin Tan Yeong Ching

Non-Independent Non-Executive Director

AGE

51

Gender



Nationality



**DATO' SRI ROBIN TAN YEONG CHING**, was appointed as a Non-Independent Non-Executive Director of the Company on 18 December 2012.

He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Executive Chairman of Sports Toto Berhad and Deputy Chairman of Berjaya Land Berhad. He is also a Director of KDE Recreation Berhad and an Executive Director of STM Lottery Sdn Bhd, Berjaya Hartanah Berhad, Bukit Kiara Resort Berhad and Staffield Country Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation Group of companies.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

## Dato' Woo Hon Kong

Independent Non-Executive Director

AGE

60

Gender



Nationality



**DATO' WOO HON KONG**, was appointed as Non-Independent Non-Executive Director of the Company on 24 April 2002. He was re-designated to the Executive Director position on 5 July 2002 and subsequently re-designated as Non-Independent Non-Executive Director of the Company on 30 October 2008. He was further re-designated to Independent Non-Executive Director of the Company on 16 May 2014.

He holds a Bachelor of Laws degree from the University of Canterbury, New Zealand. He started his career in 1988 as a legal assistant and joined a mid size legal firm as a partner in 1989 until 1994. He subsequently oversees the management and financial matters of companies involved in real estate and equities market locally and overseas prior to joining Atlan Group.



He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

Other than our Company, Dato' Woo does not hold any directorship in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# Profile of Directors

(Cont'd)

<b>Tan Thiam Chai</b> Non-Independent Non-Executive Director	AGE <b>66</b>	Gender 	Nationality 
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**TAN THIAM CHAI**, was appointed as a Non-Independent Non-Executive Director of the Company on 18 December 2012.

He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tunku Abdul Rahman (now known as Tunku Abdul Rahman University of Management and Technology) and also completed The Association of Chartered Certified Accountants (UK) professional course in 1981. He is a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants.

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong Group of Companies in Malaysia as well as in Hong Kong for about 8 years. He joined Berjaya Group of Companies in early 1991 as a Finance Manager of an operating subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad. He was appointed as the Chief Financial Officer of Berjaya Corporation Berhad on 18 July 2008 and held the said position till his retirement at the end of year 2018.



He is currently the Financial Adviser of Berjaya Corporation Berhad. He is also a Director of Berjaya Food Berhad, Berjaya Vacation Club Berhad, Indah Corporation Berhad, Cosway Corporation Berhad, Tioman Island Resort Berhad, Berjaya Japan Developments Berhad and Cosway Corporation Limited (Hong Kong). He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# Profile of Directors

(Cont'd)

<p><b>Tuan Haji Mohd Jaffar Bin Awang (Ismail)</b> Senior Independent Non-Executive Director</p>	<p>AGE <b>71</b></p>	<p>Gender </p>	<p>Nationality </p>
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**TUAN HAJI MOHD JAFFAR BIN AWANG (ISMAIL)**, was appointed as an Independent Non-Executive Director of the Company on 16 May 2017.



He holds a Master of Arts (South East Asean Studies) from University of Hull, United Kingdom and Bachelor of Social Science (Political Science) from University Sains Malaysia (USM).

He has had more than 30 years experience in the government, serving the Johor Civil Service where he held the position of Mayor at Johor Bahru City Council at the time he retired. Currently, he is a Director of Haily Group Berhad and holds directorships in several other private limited Companies.

He serves as a chairman of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

<p><b>Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah</b> Independent Non-Executive Director</p>	<p>AGE <b>67</b></p>	<p>Gender </p>	<p>Nationality </p>
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**RAJA DATO' SRI SHAHARUDIN SHAH BIN RAJA JALIL SHAH**, was appointed as an Independent Non-Executive Director of the Company on 13 June 2018.

He holds a B.A.(Hons) Degree in Accounting and Finance from Middlesex University, United Kingdom. He began his working career in Malaysia in 1985 by joining Permodalan Nasional Berhad (PNB) as a Senior Executive in the Investments Division. In 1990, he left PNB and became Manager of Corporate and Business Development in a publicly listed company, Malaysian General Investment Corporation Berhad (MGIC). Subsequently, he was appointed as Executive Director of its stockbroking arm, MGIC Securities Sdn. Bhd.(MGICS) in 1992. In 1997, he left MGICS to become Director (Institutional Sales) in Alliance Investment Bank Berhad (AIBB). After leaving AIBB in 2013, he is currently serving as a member of the Board of Directors of Deru Semangat Sdn. Bhd., which is involved in the cultivation of oil palm in Pahang.

He serves as Chairman of the Remuneration Committee and a Member of the Nomination Committee and Audit and Risk Management Committee of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

Other than our Company, he does not hold any directorship in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# Profile of Directors

(Cont'd)

## Dato' Dr Abdul Razak Bin Abdul

Independent Non-Executive Director

AGE

75

Gender



Nationality



**DATO' DR. ABDUL RAZAK BIN ABDUL**, was appointed as an Independent Non-Executive Director of the Company on 6 January 2022.

He holds a PhD (International Business) from Katholiek University of Leuven, Belgium and an MBA (Finance) from New York University. He began his working career as lecturer in Institute Teknologi MARA ("ITM") in 1973 and became the Head of ITM's School of Business in 1981. He has been actively involved in the insurance industry since 1983 and has managed both insurance and insurance broking companies. In 1990, he was appointed as Managing Director of then Ayer Hitam Tin Dredging Bhd and from there onward he has been actively involved in several Public Listed companies especially in their corporate restructuring exercises. Among others, he was a Director of Petaling Tin Berhad, Mutiara Goodyear Development Bhd, Kemayan Bhd, Idris Hydraulic Bhd and FACB Industries Incorporated Berhad.

He was also involved and hold directorship in several other private limited companies. He was the Executive Chairman of Federal Power Sdn Bhd, a power cable manufacturing firm, from 2007 to 2017. He was the President of Malaysian Cable Manufacturer Association (MCMA) since 2005 until 2023 and however, he is currently the advisor of MCMA.

He was also involved and contributed to several governmental organizations and activities. Notably, he was appointed as Chairman of Human Resources Development Fund (HRDF), an agency under Ministry of Human Resources, from 2013 to 2017. Currently, he is in the board of Yayasan Budiman UiTM which oversee the development of all its alumni.



He serves as Chairman of the Audit and Risk Management Committee and a Member of the Nomination Committee and Remuneration Committee of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# Profile of Directors

(Cont'd)

<p><b>Datuk Zawati Binti Abd Rahman</b> Independent Non-Executive Director</p>	<p>AGE <b>63</b></p>	<p>Gender </p>	<p>Nationality </p>
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**DATUK ZAWATI BINTI ABD RAHMAN**, was appointed as an Independent Non-Executive Director of the Company on 19 April 2022.

She holds a Master of Business Administration (Finance) from Central State University, Oklahoma, USA and Bachelor of Business Administration (Finance) from Oklahoma State University, USA. She brings with her more than 30 years investment and business leadership experience, having worked in the banking and telecommunication industries. She also has extensive experience in providing financial training and management consultancy services.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

She serves as a member of the Audit and Risk Management Committee of the Company.

Other than our Company, she does not hold any directorship in public companies and public listed companies.

She has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# Profile of Key Senior Management

<b>Lee Sze Siang</b> Executive Director	AGE <b>55</b>	Gender 	Nationality 
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**LEE SZE SIANG**, was appointed as Executive Director of the Company on 16 June 2000. He was re-designated to Non-Executive Director on 27 December 2004 and subsequently re-designated as Executive Director of the Company on 8 October 2008. Please refer to the profile of Lee Sze Siang set out in the section entitled “Profile of Directors” page 6 of this Annual Report for more information.

<b>Ho Yuet Leng</b> Group General Manager - Finance & Corporate Services	AGE <b>62</b>	Gender 	Nationality 
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**HO YUET LENG**, joined the Group as Head of Finance and Corporate Services in October 2002, and was subsequently promoted to Group General Manager – Finance and Corporate Services in January 2006. Prior to joining the Group, she was the Finance Director of a listed Company on Bursa Malaysia Securities Berhad from years 1995 to 2002. From years 1983 to 1992, she worked in an international public accounting firm.

She holds a professional qualification from The Malaysian Institute of Certified Public Accountants. She is also a member of the Malaysian Institute of Accountants.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

She does not hold any directorships in public companies and public listed companies.

She has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

# Profile of Key Senior Management

(Cont'd)

<p><b>Khoo Chun Keong</b> Chief Executive Officer of United Industries Holdings Sdn. Bhd.</p>	<p>AGE <b>53</b></p>	<p>Gender </p>	<p>Nationality </p>
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**KHOO CHUN KEONG**, was appointed as Chief Executive Officer of United Industries Holdings Sdn. Bhd. on 1 September 2017.



He started with KPMG in 1992 under its articleship program and graduated in 1994. He subsequently joined a public listed company assisting the Managing Director to oversee its operations and expansion before moving on to his consultancy company.

He holds a professional qualification from the Malaysian Institute of Certified Public Accountant and also a member of the Malaysian Institute of Accountants.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He does not hold any directorships in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

<p><b>Mark Trevor Rudrum</b> Chief Executive Officer of Belle Isle Hotels (Cornwall) Management Limited</p>	<p>AGE <b>51</b></p>	<p>Gender </p>	<p>Nationality </p>
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**MARK TREVOR RUDRUM**, joined the Group as CEO of Belle Isle Hotels (Cornwall) Management Limited in April 2023.

Prior to joining the Group, he was 100% shareholder of Belle Isle Hotels (Cornwall) Management Limited. He has been involved with The Cornwall Hotel since 2003 and secured planning consent for the development and managed the building development and opening of the hotel, spa and lodges. He is also active in property ownership and residential and commercial property management.

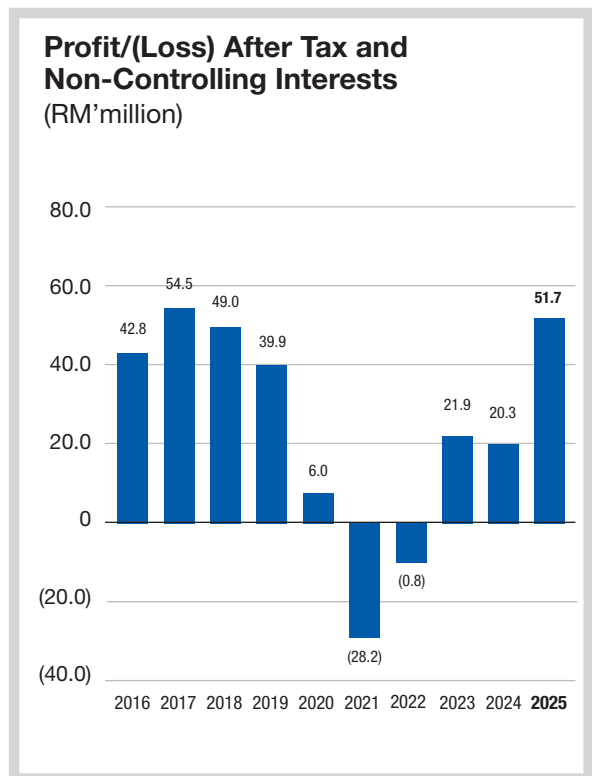
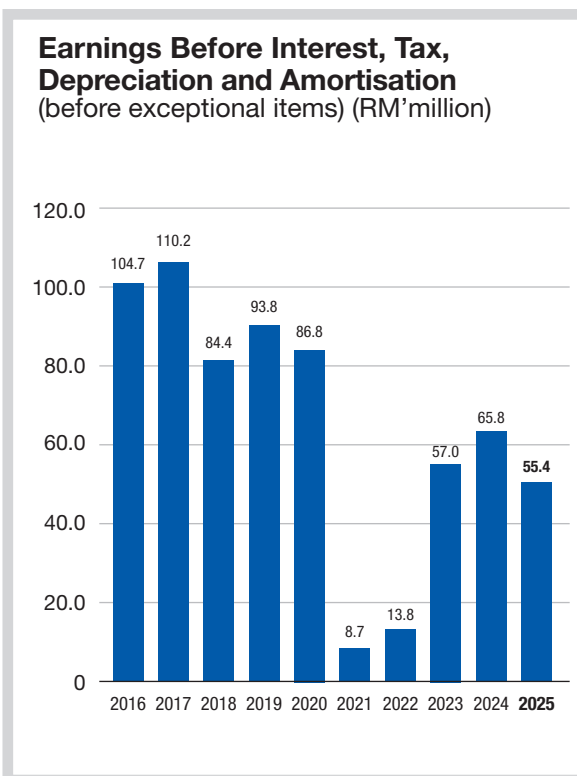
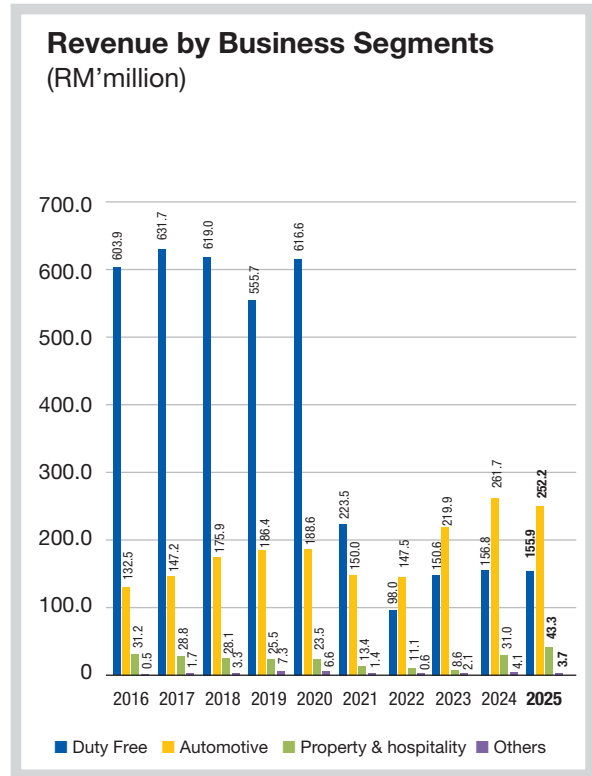
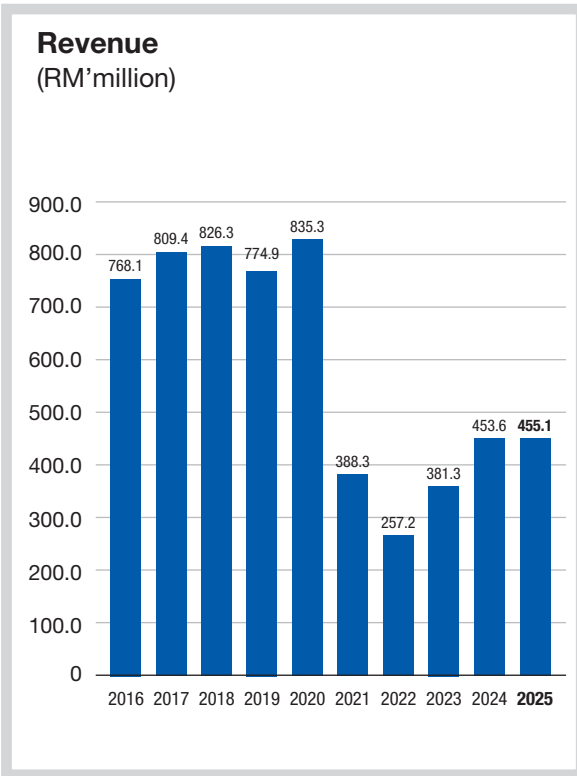
He has held key management positions and directorships since 1998, for companies specialising in solid fuel distribution, property management and development and hospitality. He received his primary and secondary education in the United Kingdom.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He does not hold any directorships in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2025.

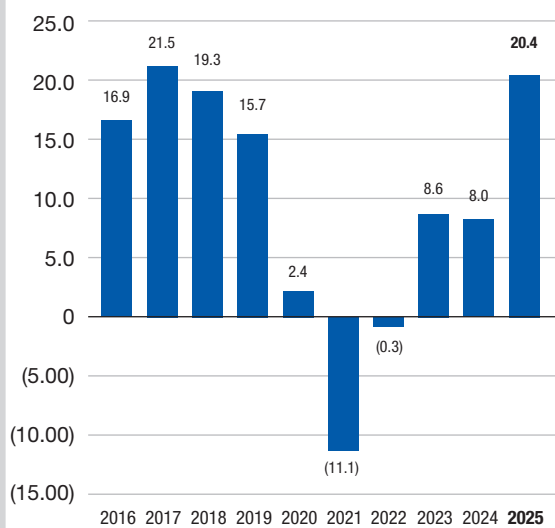
# Financial Highlights



# Financial Highlights

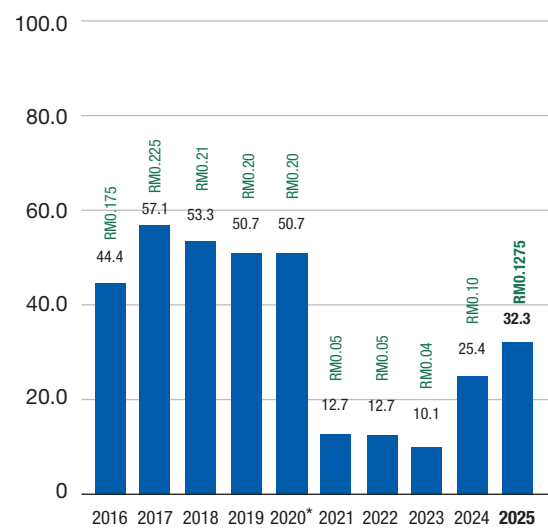
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## Basic Earnings Per Share (sen)



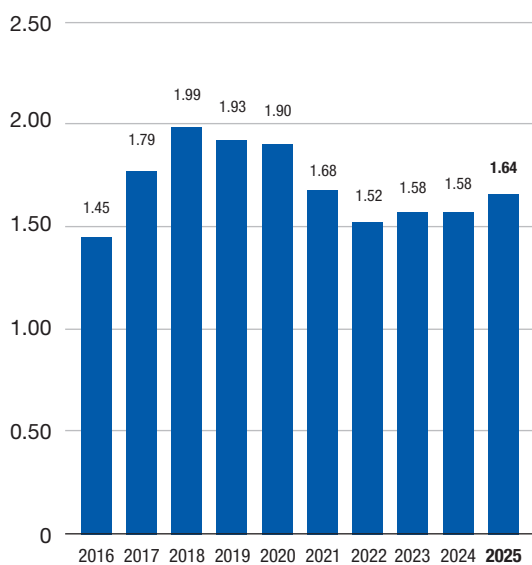
## Dividend Payout (RM'million)

■ Dividend per share in RM

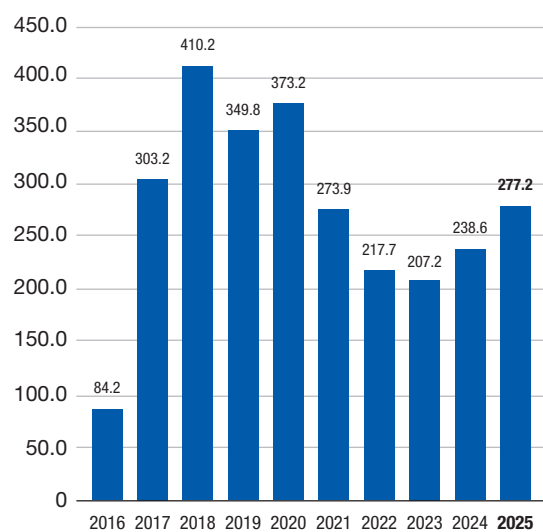


\* Declared and paid out during and after financial year ended 29 February 2020

## Net Tangible Assets Per Share (RM)



## Cash and Bank Balances (RM'million)



# Chairman's Statement

On behalf of the Board of Directors ("Board") of Atlan Holdings Bhd ("Atlan", "we", or "the Group"), I present to you the annual report and audited financial statements of the Group for the financial year ended 28 February 2025 ("FY2025").



*Duty Free outlet at Pantai Cenang, Langkawi*

## ECONOMIC AND BUSINESS OVERVIEW

The global economy has been significantly affected by ongoing geopolitical tensions, including the Ukraine-Russia conflict, instability in the Middle East, and the potential escalation of trade wars. These developments have fueled inflationary pressures and tightened global financial conditions, prompting central banks across various regions to adopt more restrictive monetary policies. Furthermore, global supply chains have experienced considerable disruptions, contributing to heightened price volatility across goods and services worldwide.

Despite the global challenges, the Malaysian economy maintained its growth momentum in 2024, achieving a 5.1% expansion, following a 3.6% growth in 2023. This performance was driven by sustained domestic demand and a

rebound in external trade. Domestically, growth in 2024 was supported by stronger household spending, underpinned by favorable labor market conditions, sound household finances, and supportive government policies. Investment activity also gained traction, buoyed by robust project approvals, progress on multi-year infrastructure initiatives, and key national development programs. Externally, Malaysia benefited from steady global growth, a recovery in the technology sector, and a resurgence in tourism. This contributed to an improved current account surplus of 1.7% of Gross Domestic Product in 2024, compared to 1.5% in the previous year<sup>1</sup>.

The automotive sector (in which United Industries Holdings Sdn. Bhd. (a wholly owned subsidiary of Atlan) and its group companies operate) also recorded strong performance, with sales of new motor vehicles increasing by 2.1% and surpassing

# Chairman's Statement

(Cont'd)

the 800,000 unit mark for the first time—driven primarily by the passenger car segment. This growth reflects broad-based resilience across key sectors and stronger overall domestic demand. However, the outlook for the automotive industry in 2025 is expected to soften, with a potential marginal decline in Total Industry Volume (TIV) anticipated<sup>2</sup>.

Meanwhile, the Group's duty free operations were significantly affected by the closure of its long-established duty free complex and car park operations at Bukit Kayu Hitam. This closure was necessitated by the compulsory acquisition of land ("Compulsory Acquisition") at Bukit Kayu Hitam, Kubang Pasu District, Kedah, by the Malaysian Government for a road construction project linking the Bukit Kayu Hitam ICQS Complex in Kedah with the CIQ Sadao facility in Thailand. Although compensation of RM69.6 million was received for the Compulsory Acquisition, the Group is of the opinion that it does not fully reflect the fair commercial value of the assets and legal proceedings are currently ongoing under the Land Acquisition Act 1960 to seek higher compensation.

Despite these economic, industry and operational challenges, the Group remains fully committed to ensuring the resilience and sustainability of its core businesses. Our focus on delivering long-term value to stakeholders remains unwavering. We will leverage our strengths and capabilities to enhance both financial performance and operational efficiency moving forward.

## FINANCIAL PERFORMANCE

In FY2025, the Group reported revenue of RM455.1 million which is slightly higher than the RM453.6 million of revenue reported for FY2024. The Group recorded a profit before taxation of RM79.6 million for FY2025, reflecting a significant increase of 138.3% from FY2024's profit before taxation of RM33.4 million.

The significant improvement in profit before taxation was primarily driven by the duty free segment, which benefited from compensation received through the Compulsory Acquisition. Meanwhile, the automotive, property, and hospitality segments continued to deliver consistent performance,

supported by steady revenue growth, enhanced operational efficiencies, and sustained customer demand.

## DIVIDEND

In line with the Group's commitment to reward our shareholders, the Board declared a total dividend of RM0.1275 per share for FY2025. This translates to a dividend yield of approximately 5.1% based on the closing share price of RM2.50 on 28 February 2025.

## CORPORATE DEVELOPMENTS

On 10 September 2024, Atlan announced that its subsidiary, Kelana Megah Sdn. Bhd. entered into a conditional joint development agreement with Chin Hin Property (Stulang) Sdn. Bhd. for the development of a parcel of leasehold land in Johor Bahru. The joint development will include two blocks comprising 1,260 serviced apartment units, 10 retail lots and multiple levels of parking and is expected to commence in the third quarter of 2025. This collaboration presents the Group with growth opportunities, strengthens its financial position, and generates a new revenue stream.

## COMMITMENT TO SUSTAINABILITY

With increasing public awareness of sustainability and its environmental impact, the Group has taken a timely and appropriate step by placing this important topic on its agenda. This proactive stance reflects the Group's continued commitment to developing and implementing strategies that minimize environmental impact across its operations. Key initiatives under consideration include enhancing energy efficiency, reducing waste, adopting responsible sourcing practices, and transitioning to low-carbon technologies—measures that collectively support the Group's long-term sustainability goals.

In the financial year 2025, we advanced this commitment by extending the use of solar power across key operations within the Group. This initiative underscores our strategic pivot towards cleaner energy solutions and reinforces our dedication to minimizing environmental impact.

# Chairman's Statement

(Cont'd)

Sustainability also continues to be a core pillar of our growth strategy. By integrating Environmental, Social, and Governance (ESG) principles into our operations, we align our business with global sustainability trends and evolving regulatory requirements. Our emphasis on sustainable construction practices and energy efficiency not only helps to reduce our carbon footprint but also delivers long-term value to shareholders through operational cost savings and strengthens the Group's reputation.

## OUTLOOK

The Malaysian economy is projected to grow steadily between 4.5% to 5.5% in 2025, driven by sustained domestic demand, although heightened external uncertainties that could lead to a more moderate expansion of exports<sup>3</sup>. However, risks to growth remain tilted to the downside given ongoing external challenges.

In light of these factors, the Group anticipates the business environment will remain challenging. Accordingly, we are placing greater emphasis on strategic planning, prudent resource allocation, and cost optimization to ensure the sustainability and continuity of our operations. With these measures in place, we remain cautiously optimistic about maintaining stable operations and delivering positive financial performance for the financial year ending 28 February 2026.

Maintaining a solid financial foundation will remain central to our ability to adapt and thrive amid market volatility. As at 28 February 2025, our balance sheet remains strong and robust, with the Group's net assets of RM527.2 million and cash and bank balances of RM277.1 million. Accordingly, the Group is well-equipped to pursue and leverage potential synergistic business prospects to bring

greater value to our shareholders.

## APPRECIATION

On behalf of the Board, I would like to convey our sincere appreciation and gratitude to the Government, our customers, suppliers and business partners for their unwavering and valuable support, cooperation, trust and confidence in the Group throughout the financial year. I also wish to extend my deepest gratitude to the existing Board, Management team and all employees for their invaluable support and insightful contributions in ensuring the Group's business sustainability and navigating through the challenging business environment. I sincerely believe that our people are our valuable assets, playing a crucial role in driving the Group's momentum towards excellence.

Last but not least, we extend our sincere gratitude to our shareholders for their steadfast support, confidence, and trust, which have been the foundation of our success. The Group remains fully committed to creating sustainable, long-term value and making a positive impact on our customers, employees, and communities. We are dedicated to persistently pursuing our strategic goals with determination, continuously working to exceed the expectations of our stakeholders through consistent effort and unwavering commitment.

I remain your humble and obedient servant and pledge to continue my dedication and diligence to the Atlan Group.

Thank you.

**Adam Sani Abdullah**  
Executive Chairman of Atlan Holdings Bhd  
29 May 2025

Source:

<sup>1</sup> *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024*  
[https://www.bnm.gov.my/-/qb24q4\\_en\\_pr](https://www.bnm.gov.my/-/qb24q4_en_pr)

<sup>2</sup> *Malaysian Automotive Association Press Release 2024*  
[https://www.maa.org.my/pdf/2024/Market\\_Review\\_2024.pdf](https://www.maa.org.my/pdf/2024/Market_Review_2024.pdf)

<sup>3</sup> *Bank Negara Malaysia Publishes Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024*  
[https://www.bnm.gov.my/-/ar2024\\_en\\_pr](https://www.bnm.gov.my/-/ar2024_en_pr)

# Penyata Pengerusi

Bagi pihak Lembaga Pengarah (“Lembaga”) Atlan Holdings Bhd (“Atlan”, “kami” atau “Kumpulan”), saya dengan sukacitanya membentangkan laporan tahunan dan penyata kewangan beraudit bagi tahun kewangan berakhir 28 Februari 2025 (“tahun kewangan 2025”).



## TINJAUAN OPERASI DAN PERNIAGAAN

Ekonomi global terus terjejas dengan ketara susulan ketegangan geopolitik yang berlarutan, termasuk konflik Ukraine-Rusia, ketidakstabilan di Timur Tengah serta kemungkinan peningkatan perang perdagangan. Perkembangan ini telah mendorong tekanan inflasi dan keadaan kewangan global yang semakin ketat, sekali gus memaksa bank-bank pusat di pelbagai rantau melaksanakan dasar monetari yang lebih berhati-hati. Selain itu, rantaian bekalan global turut mengalami gangguan ketara, menyumbang kepada peningkatan ketidakpastian harga barangan dan perkhidmatan di seluruh dunia.

Meskipun berdepan persekitaran global yang mencabar, ekonomi Malaysia kekal berdaya tahan dan mencatat pertumbuhan kukuh sebanyak 5.1% pada tahun 2024, berbanding 3.6% pada tahun sebelumnya. Prestasi ini didorong oleh permintaan domestik yang berterusan serta pemulihan dalam perdagangan luar. Dari segi domestik, pertumbuhan

disokong oleh perbelanjaan isi rumah yang lebih kukuh, hasil daripada keadaan pasaran buruh yang stabil, kedudukan kewangan isi rumah yang sihat dan dasar kerajaan yang terus menyokong pertumbuhan. Aktiviti pelaburan turut menunjukkan peningkatan, dipacu oleh kelulusan projek yang memberangsangkan, kemajuan pelaksanaan inisiatif pembangunan infrastruktur jangka panjang, serta pelaksanaan program pembangunan nasional yang strategik. Di peringkat luaran, Malaysia meraih manfaat daripada pertumbuhan global yang stabil, pemulihan dalam sektor teknologi dan kebangkitan semula industri pelancongan. Faktor-faktor ini menyumbang kepada lebihan akaun semasa yang lebih tinggi, iaitu 1.7% daripada Keluaran Dalam Negara Kasar bagi tahun 2024, berbanding 1.5% pada tahun sebelumnya<sup>1</sup>.

Sektor automotif (yang mana United Industries Holdings Sdn. Bhd. (anak syarikat milik penuh Atlan) bersama syarikat-syarikat kumpulannya beroperasi) mencatatkan prestasi yang memberangsangkan,

# Penyata Pengerusi

(Samb.)

dengan jualan kenderaan bermotor baharu meningkat sebanyak 2.1% dan melepasi paras 800,000 unit buat kali pertama – didorong terutamanya oleh segmen kereta penumpang. Pertumbuhan ini mencerminkan daya tahan yang menyeluruh merentas sektor utama serta permintaan domestik yang semakin kukuh. Bagaimanapun, unjuran bagi industri automotif pada tahun 2025 dijangka lebih sederhana, dengan kemungkinan penurunan kecil dalam Jumlah Volum Industri (TIV)<sup>2</sup>.

Sementara itu, operasi bebas cukai Kumpulan terjejas dengan ketara susulan penutupan kompleks bebas cukai dan operasi tempat letak kereta miliknya yang telah lama beroperasi di Bukit Kayu Hitam. Penutupan ini adalah berikutan pengambilan tanah secara paksa (“Pengambilan Secara Paksa”) di Bukit Kayu Hitam, Daerah Kubang Pasu, Kedah oleh Kerajaan Malaysia bagi tujuan projek pembinaan jalan raya yang menghubungkan Kompleks ICQS Bukit Kayu Hitam di Kedah dengan fasiliti CIQ Sadao di Thailand. Walaupun pampasan sebanyak RM69.6 juta telah diterima bagi Pengambilan Secara Paksa tersebut, Kumpulan berpendapat bahawa jumlah tersebut tidak sepenuhnya menggambarkan nilai komersial sebenar aset berkenaan. Sehubungan itu, prosiding undang-undang kini sedang berjalan di bawah Akta Pengambilan Tanah 1960 bagi menuntut pampasan yang lebih tinggi.

Di sebalik cabaran ekonomi, industri dan operasi yang dihadapi, Kumpulan kekal komited sepenuhnya dalam memastikan perniagaan terasnya kekal berdaya tahan. Keutamaan kami dalam penyampaian nilai jangka panjang kepada pihak berkepentingan kami tidak pernah goyah. Kumpulan akan terus memanfaatkan kekuatan dan keupayaan sedia ada bagi meningkatkan prestasi kewangan dan kecekapan operasi secara berterusan pada masa hadapan.

## PRESTASI KEWANGAN

Di dalam tahun kewangan 2025, Kumpulan mencatatkan perolehan sebanyak RM455.1 juta, sedikit lebih tinggi berbanding RM453.6 juta yang dicatatkan pada tahun kewangan sebelumnya. Kumpulan turut merekodkan keuntungan sebelum cukai yang signifikan sebanyak RM79.6 juta untuk tahun kewangan 2025, mencatatkan peningkatan ketara sebanyak 138.3% berbanding keuntungan sebelum cukai tahun kewangan sebelumnya yang berjumlah RM33.4 juta.

Peningkatan ketara dalam keuntungan sebelum cukai ini didorong terutamanya dari segmen bebas cukai yang diperolehi daripada pampasan yang diterima berikutan Pengambilan Tanah Secara Paksa. Sementara itu, segmen automotif, hartanah, dan hospitaliti terus menunjukkan prestasi yang konsisten, disokong oleh pertumbuhan pendapatan yang stabil, peningkatan kecekapan operasi, dan permintaan pelanggan yang berterusan.

## DIVIDEN

Selaras dengan komitmen Kumpulan untuk memberi ganjaran kepada pemegang saham, Lembaga Pengarah telah mengisytiharkan jumlah dividen sebanyak RM0.1275 sesaham untuk tahun kewangan 2025. Ini diterjemahkan kepada pulangan dividen kira-kira 5.1% berdasarkan harga penutupan saham sebanyak RM2.50 pada 28 Februari 2025.

# Penyata Pengerusi (Samb.)

## PERKEMBANGAN KORPORAT

Pada 10 September 2024, Atlan mengumumkan bahawa anak syarikatnya, Kelana Megah Sdn. Bhd., telah memeterai perjanjian pembangunan bersama bersyarat dengan Chin Hin Property (Stulang) Sdn. Bhd. untuk pembangunan sebidang tanah pegangan pajakan di Johor Bahru. Pembangunan bersama ini akan merangkumi dua blok yang terdiri daripada 1,260 unit pangsapuri servis, 10 lot runcit dan tempat letak kereta bertingkat, serta dijangka akan dimulakan pada suku ketiga tahun 2025. Kerjasama ini membuka peluang pertumbuhan yang baik untuk Kumpulan, mengukuhkan kedudukan kewangannya, dan menghasilkan aliran pendapatan baru.

## KOMITMEN TERHADAP KELESTARIAN

Menyedari peningkatan kesedaran terhadap kelestarian dan kesan persekitarannya, adalah tepat dan relevan bagi Kumpulan untuk menjadikan topik ini sebagai agenda utama. Pendekatan proaktif ini mengukuhkan komitmen berterusan Kumpulan dalam mengenal pasti dan melaksanakan strategi-strategi yang bertujuan mengurangkan impak persekitaran dalam setiap aspek operasinya. Antara inisiatif yang sedang dijalankan termasuk penambahbaikan kecekapan tenaga, program pengurangan sisa, pemerolehan sumber yang bertanggungjawab, serta peralihan kepada teknologi rendah karbon, bagi menyokong kelestarian alam sekitar dalam jangka panjang.

Dalam tahun kewangan 2025, kami mengukuhkan komitmen ini dengan memperluaskan penggunaan tenaga solar di seluruh operasi utama dalam Kumpulan. Inisiatif ini menekankan peralihan strategik kami ke arah penyelesaian tenaga yang lebih bersih dan mengukuhkan dedikasi kami untuk mengurangkan impak alam sekitar.

Kelestarian terus menjadi teras strategi pertumbuhan kami. Dengan mengamalkan prinsip Alam Sekitar,

Sosial, dan Tadbir Urus (ESG) ke dalam operasi kami, kami menyelaraskan perniagaan dengan tren kelestarian global serta keperluan peraturan yang semakin berkembang. Penekanan kami terhadap amalan pembinaan lestari dan kecekapan tenaga bukan sahaja membantu mengurangkan jejak karbon kami, tetapi juga memberikan nilai jangka panjang kepada pemegang saham melalui penjimatan kos operasi dan pengukuhan reputasi jenama.

## TINJAUAN DAN HARAPAN

Ekonomi Malaysia dijangka terus mencatat pertumbuhan kukuh antara 4.5% hingga 5.5% pada tahun 2025, disokong oleh permintaan domestik yang berterusan, meskipun ketidaktentuan luaran yang meningkat berkemungkinan menyederhanakan pertumbuhan eksport<sup>3</sup>. Walau bagaimanapun, risiko terhadap pertumbuhan kekal cenderung ke arah kelembapan berikutan cabaran luaran yang berterusan.

Sehubungan itu, Kumpulan menjangkakan persekitaran perniagaan akan terus mencabar. Justeru, tumpuan diberikan kepada perancangan strategik, peruntukan sumber dan pengoptimuman kos bagi memastikan kelestarian serta kesinambungan operasi. Dengan langkah-langkah ini, Kumpulan kekal berhati-hati namun optimis bahawa prestasi operasi dan kewangan akan kekal positif bagi tahun kewangan berakhir 28 Februari 2026.

Mengekalkan asas kewangan yang kukuh akan terus menjadi teras kepada keupayaan kami untuk menyesuaikan diri dan terus berkembang dalam persekitaran pasaran yang tidak menentu. Sehingga 28 Februari 2025, kedudukan kewangan Kumpulan kekal teguh dengan aset bersih berjumlah RM527.2 juta serta baki tunai dan bank sebanyak RM277.1 juta. Seiring dengan itu, Kumpulan berada dalam kedudukan yang baik untuk meneroka dan memanfaatkan potensi peluang perniagaan sinergistik bagi menjana nilai yang lebih besar kepada para pemegang saham.

# Penyata Pengerusi

(Samb.)

## PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan dan terima kasih kepada Kerajaan, para pelanggan, pembekal serta rakan-rakan perniagaan atas sokongan, kerjasama, kepercayaan dan keyakinan yang tidak berbelah bahagi terhadap Kumpulan sepanjang tahun kewangan ini.

Saya juga ingin merakamkan penghargaan yang mendalam kepada barisan Lembaga Pengarah, pasukan pengurusan dan seluruh warga kerja atas sokongan yang tidak ternilai serta sumbangan yang bermakna dalam memastikan kelestarian perniagaan Kumpulan dan mendepani persekitaran perniagaan yang mencabar. Saya amat yakin bahawa tenaga kerja kami merupakan aset yang paling bernilai dan memainkan peranan penting dalam memacu momentum Kumpulan ke arah kecemerlangan.

Akhir kata, kami merakamkan setinggi-tinggi penghargaan kepada para pemegang saham atas sokongan, keyakinan dan kepercayaan yang

berterusan — yang menjadi asas kepada kejayaan Kumpulan selama ini. Kumpulan kekal komited untuk mencipta nilai jangka panjang yang mampan serta memberi impak positif kepada pelanggan, warga kerja dan komuniti.

Kami akan terus gigih melaksanakan strategi yang telah digariskan dengan penuh dedikasi, dan berusaha melangkaui jangkaan semua pihak berkepentingan menerusi usaha berterusan dan komitmen yang tidak berbelah bahagi.

Saya dengan rendah diri berjanji untuk sedia berkhidmat meneruskan komitmen, dedikasi dan usaha saya untuk Kumpulan Atlan.

Terima kasih.

**Adam Sani Abdullah**  
Pengerusi Eksekutif Atlan Holdings Bhd  
29 Mei 2025

Sumber:

<sup>1</sup> *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024*  
[https://www.bnm.gov.my/-/qb24q4\\_en\\_pr](https://www.bnm.gov.my/-/qb24q4_en_pr)

<sup>2</sup> *Malaysian Automotive Association Press Release 2024*  
[https://www.maa.org.my/pdf/2024/Market\\_Review\\_2024.pdf](https://www.maa.org.my/pdf/2024/Market_Review_2024.pdf)

<sup>3</sup> *Bank Negara Malaysia Publishes Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024*  
[https://www.bnm.gov.my/-/ar2024\\_en\\_pr](https://www.bnm.gov.my/-/ar2024_en_pr)



Duty Free outlet at Langkawi

# 董事主席献词

## 董事主席献词

我很荣幸代表董事会，提呈益联控股有限公司（“益联”或“我们”或“集团”）截至2025年2月28日（“2025财政年”）的年度报告及经审计财务报表。



## 经济与商业展望

全球经济持续受到地缘政治紧张局势的显著影响，其中包括乌克兰与俄罗斯的冲突、中东的不稳定局势以及潜在的升级贸易战。这些发展加剧了通胀压力，导致全球金融环境趋紧，促使多国的中央银行采取更为紧缩的货币政策。此外，全球供应链也遭受严重干扰，导致全球商品与服务价格波动加剧。

尽管面临全球性挑战，马来西亚经济在2024年依然保持增长势头，取得了5.1%的扩张，相较2023年的3.6%增长有所加快。其正向经济增长是源自于强劲的国内需求及外部贸易的复苏。2024年的经济增长受到家庭支出增强的支持，得益于有利的劳

动力市场状况、稳健的家庭财务状况以及政府的扶持政策。同时，投资活动也显著增强，这主要得益于项目审批的高效推进、多年基础设施建设的持续进展以及国家重点发展计划的实施。对外贸易方面，马来西亚经济增长受益于全球经济的稳定增长、科技行业的复苏以及旅游业的回弹。这些因素促使2024年流动账户盈余上升至占国内生产总值的1.7%，高于上一年的1.5%<sup>1</sup>。

益联的全资子公司 United Industries Holdings Sdn. Bhd. 及其集团旗下企业运营的汽车行业，业绩同样也表现卓越。全国2024年新车总销量首次突破80万辆大关，销售增长2.1%，主要由乘用车细分市场所带动。其增长态势既体现了核心业务板块

## 董事主席献词 (继续)

的广泛韧性，也反映出国内市场的旺盛需求。然而，2025年预计汽车行业前景将有所放缓，行业总销量可能面临小幅下滑<sup>2</sup>。

与此同时，本集团的免税业务受到重大影响，原因是其位于吉打州黑木山久负盛名的免税商业中心及停车场业务被迫关闭。此次土地征用是因为马来西亚政府为了建设连接吉打州黑木山移民、海关、检疫综合设施 (ICQS) 与泰国SADAO 联检大楼 (CIQ) 设施的道路项目。尽管集团已于强制征用土地获得6千960万令吉的补偿，但集团会认为该金额未能充分赔偿该资产的公允商业价值，目前正根据《1960年土地征收法》通过法律程序寻求更高补偿。

尽管面对经济、行业及运营的挑战，本集团仍坚定致力于提升核心业务的韧性与可持续性，并持续为股东创造长期价值。我们将持续发挥集团优势与能力，进一步提升财务表现与运营效率。

### 财务绩效

益联在2025财政年的营业额为4亿5千510万令吉，略高于去年的4亿5千360万令吉。集团在2025财政年的税前盈利为7千960万令吉，相较于2024年财政年的税前盈利3千340万令吉，大幅增长了138.3%。

这显著的增长主要是源自于免税业务因强制征用土地补偿金带来的收益。与此同时，汽车、房地产及酒店业务则在稳定的营收增长、营运效率提升及客户需求持续带动下维持良好业绩。

### 股息

本着集团回馈股东的承诺，董事局宣布于2025财政年每股派息总额为0.1275令吉。以2025年2月28日的收盘价每股2.50令吉计算，相当于约5.1%的股息收益率。

### 企业发展

于2024年9月10日，益联宣布其子公司Kelana Megah Sdn. Bhd.与Chin Hin Property (Stulang) Sdn. Bhd.签署有条件联合开发协议，共同开发柔佛州新山市的一快租赁土地。该联合开发项目将包括两栋大楼，共计1,260套服务式公寓单元、10间零售商铺及多层停车场，并预计于2025年第三季度动工。此次合作为集团有利于提供增长契机，强化财务状况，并开辟新的收入来源。

### 可持续发展承诺

随着公众对可持续发展及环境影响的关注度日益提升，本集团更是把这一项重要议题纳入长远计划，体现了我们对环境影响与可持续性发展的承诺。目前重点考虑的关键举措包括：提升能源利用效率、减少废弃物产生、采纳负责任采购法，以及向低碳技术转型，这些措施将共同支撑集团实现长期可持续发展的目标。

在2025财政年，集团通过在其核心业务运营中扩大太阳能应用范围，切实推进了此项可持续发展承诺的落实。该举措不仅彰显了我们向清洁能源解决方案的战略转型，更强化了我们对环境减少影响的坚定决心。

# 董事主席献词

## (继续)

可持续发展仍是我们增长战略的核心支柱之一。通过将环境、社会和治理（ESG）原则全面融入运营体系，我们的业务发展既对齐全球可持续发展趋势，也符合不断变化的监管要求。我们着力推行的可持续建筑实践和能效提升措施，在有效减少碳足迹的同时，也通过降低运营成本和提升集团声誉，为股东持续创造长期价值。

### 展望与前景

2025年马来西亚经济预计将实现4.5%-5.5%的平稳增长，这增长主要来自持续的国内需求支撑。然而，由于对外不确定性因素的加剧，可能抑制出口增长的动力<sup>3</sup>，加之持续的外部环境挑战，整体经济增长风险仍倾向于下行。

鉴于上述情况，集团预计其业务所处的环境持续充满挑战性。因此，集团将专注于战略规划、资源分配和进一步的成本优化，以确保业务的可持续性和连续性。在落实相关措施的前提下，我们对在截至2026年2月28日的财年内维持稳健运营及取得正面财务表现保持审慎乐观的态度。

维持稳健的财务基础仍是集团在市场波动中保持适应力与增长力的关键。截至2025年2月28日，集团的财务状况依然保持强劲稳健，净资产为5亿2千720万令吉，现金及银行存款结余2亿7千710万令吉。因此，集团具备良好能力把握潜在的协同业务机会，为股东创造更大价值。

### 致谢

谨代表董事会，本人衷心感谢政府、客户、供应商及商业伙伴于本财政年度给予集团坚定不移的宝贵支持、通力合作、信任与信心。同时，我也要衷心感谢现任董事会成员、管理层团队及全体员工对本集团的无私支持和奉献以确保集团业务可持续发展和应对充满挑战的商业环境所做出的卓越贡献。我坚信我们的员工是我们最珍贵的资产，他们在确保集团繁荣中发挥着至关重要的作用。

最后，我们要向股东表达真诚的感激，你们的不懈支持、信心和信任是集团取得成功的根基。集团仍然坚定地致力于创造可持续的长期价值，并在客户、员工和我们经营的社区中产生积极影响。我们将以坚定的决心持续推进战略目标，通过持之以恒的努力和不变的承诺，超越大家的期望。

我将继续秉持谦卑与忠诚，承诺持续为益联集团奉献和奋斗。

谢谢。

**Adam Sani Abdullah**

益联集团董事主席

2025年5月29日

资源：

<sup>1</sup> *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024*  
[https://www.bnm.gov.my/-/qb24q4\\_en\\_pr](https://www.bnm.gov.my/-/qb24q4_en_pr)

<sup>2</sup> *Malaysian Automotive Association Press Release 2024*  
[https://www.maa.org.my/pdf/2024/Market\\_Review\\_2024.pdf](https://www.maa.org.my/pdf/2024/Market_Review_2024.pdf)

<sup>3</sup> *Bank Negara Malaysia Publishes Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024*  
[https://www.bnm.gov.my/-/ar2024\\_en\\_pr](https://www.bnm.gov.my/-/ar2024_en_pr)

# Management Discussion & Analysis

## BUSINESS OVERVIEW

Atlan Holdings Bhd (“Atlan”, “we” or the “Group”) is an investment holding company primarily involved in trading of duty free goods, dutiable and non-dutiable merchandise (“Duty Free”), auto-components manufacturing (“Automotive”) and property investment & hospitality (“Property and Hospitality”).

Established in 1988 as a private limited company, Atlan was involved in the precision metal stamping business then, based in Penang. The Group was listed on the Second Board of Bursa Malaysia Securities Berhad in 1996 and subsequently transferred to the Main Market in 2009.

For the financial year ended 28 February 2025 (“FY2025”), the Automotive segment was the key contributor to the Group’s revenue, having accounted for 55.4%, followed by the Duty Free segment, Property and Hospitality and investment holding and others, which constituted 34.3%, 9.5% and 0.8% of the Group’s revenue, respectively.

### Automotive

The Group operates its auto-components manufacturing segment via United Industries Holdings Sdn. Bhd. (“UI”) and its Group of subsidiaries (“UI Group”). UI Group has 51 years of experience producing and supplying quality automotive components to Malaysia’s original equipment manufacturers.

We are currently one of the market leaders in manufacturing metallic tubes, fuel filler necks, fuel tank modules, metal stamping parts, and sub-assembly of instrument panels in Malaysia’s automotive industry.

### Duty Free

The Duty Free segment of the Group is undertaken by Duty Free International Limited (“DFIL”) and its Group of subsidiaries. DFIL, listed on the Mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”), is the leading duty free retailer in Malaysia with an operating history of over 40 years.

DFIL operates under the brand name of “ZON” and is Malaysia’s largest multichannel duty free and duty-paid retailing brand that serves Malaysians and international customers across all primary entry and exit points in Peninsular Malaysia.

### Property and Hospitality

Atlan owns two properties strategically located in the heart of Kuala Lumpur city: Menara Atlan and a serviced apartment. Menara Atlan is managed by the Group’s property arm, while the Group’s hospitality arm operates a serviced apartment called “The Zon All Suites Residences on the Park” (“Zon Hotel”). The Zon Hotel has since temporarily ceased operations from 30 June 2020.

Atlan has also expanded its hospitality arm in the United Kingdom through its subsidiary namely Belle Isle Hotels (Cornwall) Management Limited (“BIM”), a 4-star-full-service hotel featuring spa and leisure facilities.

# Management Discussion & Analysis

(Cont'd)

## FINANCIAL PERFORMANCE

Atlan has reported improved financial performance for FY2025 and continued to maintain a strong financial position. The Group achieved a comparable revenue of RM455.1 million, reflecting a slight increase of 0.3% compared to RM453.6 million of revenue reported in the financial year ended 29 February 2024 ("FY2024"). Despite the modest revenue growth, both the Group's profit before tax ("PBT") and profit after tax ("PAT") experienced a substantial improvement from RM33.4 million and RM25.3 million in FY2024 to RM79.6 million and RM67.4 million, respectively in FY2025.

The Group's Automotive segment registered revenue and PBT of RM252.2 million and RM32.0 million respectively compared to the corresponding financial year's revenue of RM261.7 million and PBT of RM27.1 million respectively. Lower revenue was reported in the current financial year under review mainly attributed to lower orders received from customers. Despite the lower revenue, the segment achieved a higher PBT in FY2025 primarily due to improved operating efficiencies.

Our Duty Free segment recorded revenue of RM155.9 million, reflecting a slight decrease of 0.6% compared to RM156.8 million in the previous financial year's revenue. This marginal decline was mainly due to closure of its duty free operations in Bukit Kayu Hitam since November 2024 following the Compulsory Land Acquisition. Despite the lower revenue, the segment reported a significantly higher PBT of RM74.9 million, compared to RM19.4 million in the corresponding financial year. The substantial increase in PBT was mainly driven by the compensation received in relation to the Compulsory Land Acquisition.

Our Property and Hospitality segment posted revenue and loss before tax ("LBT") of RM43.3 million and RM1.9 million respectively compared to the corresponding year's revenue of RM31.0 million and LBT of RM1.9 million. The improvement in revenue was mainly driven by the sale of the six units of 3-storey semi-detached houses and increased contributions from BIM, particularly in the food and spa segments. Additionally, the property segment in Malaysia also reported higher revenue, largely due to increased occupancy rates. The LBT reported in FY2025 was comparable to that of FY2024.

Our investment holding segment reported revenue and LBT of RM3.7 million and RM7.9 million for FY2025, compared to revenue of RM4.0 million and a PBT of RM6.9 million in FY2024. The decline in revenue was mainly due to lower interest income earned during the year under review. The shift from PBT in FY2024 to LBT in FY2025 was primarily attributed to a net foreign exchange loss in contrast to the net foreign exchange gain recorded in FY2024.

As of 28 February 2025, the Group's financial position remained robust with a healthy cash and cash equivalents balance of RM264.6 million (29 February 2024: RM228.3 million) and a net cash position of RM205.0 million (29 February 2024: RM158.0 million), bringing the Group's net cash per share to RM0.81 (29 February 2024: RM0.62). Accordingly, the Group is well-positioned to explore and capitalise on potential synergistic business opportunities to bring greater value to our shareholders.

The Group's total capital commitments, approved, contracted for and not contracted for, as of 28 February 2025, were RM19.4 million (29 February 2024: RM18.8 million).

## DIVIDEND

In recognition of our shareholders' continuous support, the Board declared a total dividend of RM0.1275 per share during FY2025. This translates to a dividend yield of 5.1% based on the closing share price of RM2.50 on 28 February 2025.

# Management Discussion & Analysis

(Cont'd)

## BUSINESS RISKS

Atlan remains cognisant of several businesses, financial and operational risks that may impact its operations. Hence, the Group adopted various adequate measures to manage and mitigate these risks to maximise output and provide added value to our shareholders and stakeholders alike.

### Automotive

The Group's Automotive segment continues to face challenges arising from trade uncertainties, rising raw material costs, and the emergence of new technologies that may potentially threaten the Group's market share. To counter these challenges, the Automotive segment is committed to implement proactive measures, including on-going reviews and enhancements in product quality, safety standards, and manufacturing efficiency. Moreover, the Automotive segment seeks to diversify its raw material supply base, enhance its procurement processes, and invest in technological innovation to mitigate risks and maintain competitiveness in the market.

### Duty Free

The Group's Duty Free segment is exposed to regulatory risks due to the nature of its operations, which requires the regular renewal of multiple licences, namely duty free shop licence, wholesale dealer's licence, bonded warehouse licence, and import licences. The segment is also exposed to other regulatory risks where its operational framework may change over time depending on various relevant authorities. Nonetheless, the Group continues to mitigate these risks by regular engagement with the authorities to ensure on-going compliance with the applicable laws and regulations and remains prepared to adapt to new rules and regulations as and when they are implemented.

The Duty Free segment is also vulnerable to transactional currency risks arising from purchases denominated in currencies other than the functional currency of its operating entities, primarily the United States, Australian and Singapore dollars. In FY2025, approximately 33% (FY2024: 29%) of the segment's purchases were denominated in foreign currencies. These foreign currency exposures are managed and maintained at acceptable levels through continuous monitoring of exchange rate fluctuations and the implementation of hedging strategies within the Duty Free Group.

### Property and Hospitality

Currently, there is an oversupply of office and residential properties in Malaysia, leading to a glut in the property market. As a result, the property sector is facing significant pressure, particularly in tenancy performance and rental levels. Despite sluggish demand, the incoming supply of properties continues to rise, exacerbating the situation. The property market is expected to take some time to reach a new equilibrium as demand struggles to keep pace with the uncertain economic conditions of the present time. Notwithstanding that, the Group strives to overcome obstacles by providing better amenities and appealing rents to cater to the current market conditions.

The hospitality industry has faced some challenges due to the rise of alternative tourism accommodations like Airbnb, which has increased competition within the industry. Moreover, the costs of maintaining aging buildings are expected to rise with time. The hospitality segment is closely linked to the tourism industry, and therefore, any changes in the tourism industry can significantly impact the hospitality segment. Despite these challenges, the Group remains committed to taking pre-emptive measures such as cost optimisation and effective marketing to remain competitive and thrive throughout the challenging period.

# Management Discussion & Analysis

(Cont'd)

## BUSINESS STRATEGY

To ensure that the business remains sustainable and continues to operate smoothly, the Group is holding onto its healthy reserves to weather the current challenging business environment. The Group constantly reviews, adjusts, and adapts its cost-cutting and containment measures, such as deferring discretionary expenses and non-critical capital expenditures.

Moreover, besides taking prudent financial measures, the Group is actively seeking potential acquisition targets that can bring synergies to its value chain.

### Duty Free

The Duty Free segment is projected to experience a rebound in its business environment in 2024 and 2025, driven by the further recovery in tourism activities. However, the global economy is still fraught with uncertainties, which are compounded by ongoing geopolitical conflicts and the continued presence of global headwinds.

Despite the challenging outlook, our core emphasis has not changed. We remain focused on delivering quality and value to our customers. Our mission is to expand our presence within Malaysia's duty free market and duty-paid market.

Below are the 5 crucial success elements of our company: -

- Increase operational efficiencies;
- Cost-effectiveness in the supply chain;
- Efficiency in logistics management of products;
- Enhancement of retail outlets; and
- Increase in product assortments.

Our strategic plan for the current year entails maintaining our focus on cost optimisation, which has been instrumental in keeping the Duty Free segment relatively stable. To achieve this, we will continue to implement cost containment measures that involve recalibrating operational efficiencies by rebasing costs and prioritising capital expenditure to preserve cash reserves, ensuring that the Group can fulfil its financial and operational obligations. Furthermore, we will pursue opportunities to expand our range of assortments and negotiate with vendors for merchandise at competitive prices.

### Automotive

The Group's Automotive segment remains committed to exploring avenues for expanding its product line, while also actively pursuing new technical collaborations to gain access to transformative innovations. This is crucial to remain competitive in the technology-driven automotive industry. Simultaneously, the segment will enact cost-containment measures, including a thorough plan to streamline operations for efficiency. These efforts will be bolstered by a skilled workforce that can effectively navigating the challenges accompanying the segment's growth and evolution.

# Management Discussion & Analysis

(Cont'd)

## Property and Hospitality

Atlan's property, strategically located in Kuala Lumpur, requires affordable rates to remain competitive in an oversupplied industry with a surplus of office and residential properties.

The Group is committed to leveraging its competitive strengths to attract new tenants/customers and increase rental yields through competitive rate strategies. Keeping that in mind, the Group remains committed to deliver high-quality services, consistently upgrade and refurbish the properties, and strengthen relationships with existing tenants.

As for the hospitality segment in United Kingdom, the Group remains its focus on the marketing promotional activities and ensuring competitive pricing in order to attract more tourists. The Group is also dedicated to enhance the hotel's facilities to deliver an exceptional staying experience for our guests.

## OUTLOOK & PROSPECTS

Malaysia's economic outlook for 2025 remains optimistic, with Bank Negara Malaysia projecting a growth rate between 4.5% and 5.5%, primarily driven by resilient domestic demand, although external uncertainties may result in a more moderate pace of export growth<sup>1</sup>.

The Group remains cautious about the outlook for FY2026, given the fragility of the economic recovery, which is influenced by several critical and evolving factors. These include managing inflation, executing effective cost control strategies, and the continuation of the government fiscal support for businesses. As a result, the Group anticipates that cost control measures will remain strong and continue into the foreseeable future.

## Duty Free

The Duty Free segment is expected to face challenges in the business environment in which it operates. However, barring unforeseen circumstances, the Group is cautiously optimistic that it will continue to perform well financially and operationally, given its strong fundamentals. The Group's focus remains firmly fixed on strategic planning, resource allocation, and cost optimisation to ensure it is well prepared for future challenges. Despite being cautious with its resources, the Group will still actively seek out excellent business opportunities to enhance the synergy of its existing businesses in the Duty Free segment.

## Automotive

The Malaysian Automotive Association ("MAA") announced that the Total Industry Volume ("TIV") reached a historical milestone in 2024, with 816,747 units sold, being the highest annual sales ever recorded in the local automotive industry.

However, MAA has forecasted a decline of approximately 4.5% in TIV to 780,000 units for 2025, attributed to uncertainties from the US-China trade tensions and the potential negative impact of petrol subsidy rationalization on high-engine capacity vehicle sales.

Nevertheless, the Group's Automotive segment with its strong fundamentals, is prudently optimistic that it will be able to respond to the current challenging business environment positively barring any unforeseen circumstances.

# Management Discussion & Analysis

(Cont'd)

## Property and Hospitality

Downward pressure continues on the rental rates and occupancy levels in the oversupplied Klang Valley office market and the gap between supply and demand continues to widen amid weaker office demand and a shrinking pool of tenants. It is anticipated that more companies would experiment between working from an office, home, co-working, or managed space.

Nonetheless, the Group believes that the strategic location of our property gives us a competitive edge in a weak market and our property management strives to overcome obstacles by providing better amenities as well as appealing rents to cater to the current market conditions.

The rise of the alternative tourism accommodations like Airbnb had increased the competition within the hospitality industry at United Kingdom. The Group will continue on various innovative marketing campaigns and consistent improvement of our facilities to compete intensely with other players within the industry.

## CLOSING REMARK

The economy is perceived to remain challenging and uncertainties ahead, the Group will continue to maintain a cautious approach in conducting its business activities. Our commitment remains unwavering in enhancing operational efficiency and striving for excellence across all facets of our operations. As we move forward, we will continue to pursue possibilities and explore prospective partnerships and collaborations in order to expand our portfolio in the region, addressing challenges and delivering value to our stakeholders. As we are guided by the values of excellent corporate governance, entrepreneurial energy, and a dedication to sustainability in all of these, we will continue to build on the foundation of our achievements, allowing us to create stronger and more sustainable returns over time.

Source:

<sup>1</sup> Bank Negara Malaysia Publishes Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024

[https://www.bnm.gov.my/-/ar2024\\_en\\_pr](https://www.bnm.gov.my/-/ar2024_en_pr)



# Sustainability Statement

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Solar PV System at The Cornwall Hotel & Spa, St. Austell, Cornwall, United Kingdom

# Our Commitments

## Who We Are

Atlan Holdings Bhd (“Atlan”, “the Company”, and “the Group”)’s core activities include investment holding, management services and other related functions. Its subsidiaries operate across diverse sectors, including property investment, hospitality, automotive component manufacturing, and duty free and non-dutiable merchandise trading.



# Our Commitments

(Cont'd)

## Reporting Framework

Atlan prepared this Sustainability Statement in accordance with the following:

- Global Reporting Initiative (“GRI”) Universal Standards
- Bursa Malaysia Sustainability Reporting Guide, including the Enhanced Sustainability Listing Requirements
- National Sustainability Reporting Framework (“NSRF”)
- United Nations Sustainable Development Goals (“UNSDGs”)
- Guidance on climate change-related information disclosure from the Task Force on Climate-Related Financial Disclosures (“TCFD”)
- The International Organisation for Standardisation (“ISO”) 26000:2010 Guidance on Social Responsibility
- Other local and international sustainability indices, such as the FTSE4Good Bursa Malaysia Sustainability Index

## Data Assurance

Internal auditors have thoroughly reviewed the accuracy of this statement. Before publication, the Board of Directors approved the content of this Statement, affirming its reliability and compliance with established standards.

## Feedback

Atlan strives to improve its sustainability reporting as part of an ongoing commitment to continuous improvement. The Group values stakeholder participation and welcomes any questions, feedback or recommendations. Please feel free to contact us at [info@atlan.com.my](mailto:info@atlan.com.my).

# Our Commitments

(Cont'd)

## Key Achievements

With a strong focus on its sustainability pillars, FY2025 was a pivotal year for Atlan in advancing its sustainability goals. The Group's achievements during this period are a testament to its ongoing commitment to enhancing sustainability performance.

## Key Sustainability Milestones

Safeguarding the Environment

Generated renewable energy from a 1,562 kWp rooftop solar system, producing 1,910 MWh of electricity and achieving an average monthly savings of RM72,236 in FY2025

Social Responsibility

- Zero fatalities
- 5 hours of average training per employee
- Increased gender diversity for female employees within the Group to 27.3%

Good Governance

- Zero non-compliance with local laws
- 65% of products and services procured locally
- Awards won by automotive segment in FY2025
  - Appreciation Delivery 2024
  - New Model Continuous Effort 2024
  - Excellence and Commitment as Sustainability Shared Prosperity Organisation



Awards won by automotive segment in FY2025

# Sustainability Governance

Atlan is committed to driving sustainability across its businesses, shaping a better tomorrow through responsible practices. By integrating Environmental, Social and Governance (“ESG”) principles into its operations, Atlan prioritises resource efficiency, carbon reduction and ethical supply chain management. Across its diverse business segments, the Company continuously innovates to minimise its environmental footprint while fostering a positive impact on communities. Strategic sustainability initiatives strengthen Atlan’s resilience and contribute to a greener, more sustainable future for future generations.

## Our Sustainability Framework

Atlan’s Sustainability Framework reflects its commitment to environmental stewardship, ethical governance, social responsibility and economic resilience. This framework is the foundation for sustainable decision-making across operations, integrating sustainability into core values. This approach reduces Atlan’s ecological footprint, fosters positive social impact, drives long-term economic growth and upholds strong governance standards.



Menara Atlan

# Sustainability Governance

(Cont'd)

## Our Core Values

Customer satisfaction 	Economic Performance & Growth 	Integrity and Accountability 
Inclusive and Dynamic Workplace 	Community Empowerment 	Carbon Neutrality 

## Our Sustainability Pillars

Environment 	Social 	Governance 
-----------------	------------	----------------

## Our Material ESG Factors

- Energy Consumption & GHG Emissions
- Water Management
- Waste Management
- Occupational Safety & Health
- Talent Management & Development
- Human Capital Management & Diversity
- Product Quality & Customer Satisfaction
- Community Enrichment
- Corporate Governance & Regulatory Compliance
- Economic Performance
- Sustainable Supply Chain

## Our Stakeholders

Shareholders and Investors 	Customers 	Suppliers and Financiers 
Government and Regulatory Authorities 	Employees 	Communities 

## Our Sustainability Commitments



## Our Alignments



# Sustainability Governance

(Cont'd)

Atlan's governance structure provides strong oversight and strategic direction on sustainability. The Board of Directors oversees the Group's sustainability strategy, while the Executive Director is responsible for identifying, monitoring and managing ESG factors. Key business function leaders execute this strategy, ensuring its integration into daily operations.

To reinforce our commitment to sustainability, Atlan has established a Sustainability Working Group, which serves as a key advisory body. This working group plays a pivotal role in embedding sustainable principles into our corporate strategy, driving responsible business practices and advancing Atlan's long-term environmental and social responsibility initiatives.



## Atlan Sustainability Governance Structure

### Board of Directors

- Takes ultimate responsibility for the sustainability direction of the Group
- Integrates sustainability considerations in strategic business decisions
- Approves the overall sustainability-related business strategies

### Executive Directors

- Steers and oversees the implementation of sustainability-related business strategies
- Approves sustainability targets, key indicators and disclosures
- Evaluates and assesses sustainability risks and opportunities

### Sustainability Working Group

- Monitors and manages the sustainability implementation of the Group
- Facilitates and assists the sustainability processes among the key business functions
- Reports on the performance and targets of sustainability processes and controls

### Key Business Function

- Supports the implementation of sustainability-related business strategies
- Develops plans and timelines for sustainability reporting disclosure

# Sustainability Governance

(Cont'd)

## Strengthening Stakeholder Bonds

Operating across various industries—including automotive manufacturing, duty free merchandise, property investment and hospitality—requires Atlan to engage consistently and proactively with diverse stakeholder groups. Given the broad spectrum of stakeholders, Atlan maintains regular and close communication to understand their expectations and needs.

Effective stakeholder engagement is more than just listening; it involves collaboration, value creation and delivering on expectations. The table below outlines the customised stakeholder engagement avenues for each Group.

## Stakeholder Engagement Areas and Platforms

Stakeholder Group	Areas of Interest	Engagement Platforms	Frequency of Engagement
Customers	Quality of products and services, product prices and promotions	<ul style="list-style-type: none"> <li>Direct visits</li> <li>Corporate website</li> <li>Feedback forms</li> <li>Social media</li> <li>Loyalty programme</li> </ul>	<ul style="list-style-type: none"> <li>Regularly</li> <li>Regularly</li> <li>Regularly</li> <li>Regularly</li> <li>Regularly</li> </ul>
Employees	Job-related training and development, work-life balance, employment benefits, performance appraisal and reward system	<ul style="list-style-type: none"> <li>Annual performance review</li> <li>Intranet portal</li> <li>Email communications</li> <li>Internal meetings</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Regularly</li> <li>Regularly</li> <li>Regularly</li> </ul>
Board of Directors	Regulatory compliance, economic performance, corporate governance and risk reviews	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Email communications</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly and annually</li> <li>As required</li> </ul>
Government	Regulatory compliance, economic performance and societal welfare	<ul style="list-style-type: none"> <li>Formal meetings</li> <li>Dialogue</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> <li>As required</li> </ul>
Investors	Regulatory compliance, economic performance, new Group developments, returns on investment and dividend distribution	<ul style="list-style-type: none"> <li>Media release</li> <li>Investor relations roadshows</li> <li>Announcements</li> <li>Investor meetings</li> <li>Annual reports</li> <li>Quarterly reports</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> <li>As required</li> <li>Quarterly/as required</li> <li>As required</li> <li>Annually</li> <li>Quarterly</li> </ul>
Suppliers	Product knowledge, events, partnerships, compliance and contract performance	<ul style="list-style-type: none"> <li>Meetings and dialogue sessions</li> <li>Email communications</li> <li>Trade fairs and events</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> <li>Regularly</li> <li>Annually</li> </ul>
Financiers	Compliance with financiers' terms and conditions and economic performance	<ul style="list-style-type: none"> <li>Financial reports</li> <li>Regular meetings</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As required</li> </ul>
Local communities	Supporting local communities, social, environmental and capacity development Fostering collaborative partnerships	<ul style="list-style-type: none"> <li>Donation and philanthropic activities</li> <li>Community investments</li> </ul>	<ul style="list-style-type: none"> <li>Regularly/ as required</li> <li>Regularly/ as required</li> </ul>

# Sustainability Governance

(Cont'd)

## Identifying Our Material Sustainability Matters

Atlan aligns business objectives with stakeholder priorities, ensuring a balanced approach that integrates operational goals and sustainability commitments. The Group assesses material aspects of its operations by considering stakeholder perspectives and their financial and ESG impact on the business.

Atlan's Board assessed sustainability factors through a double materiality approach, considering financial and ESG perspectives to enhance decision-making. This approach helps determine how sustainability issues influence business performance, financial risks and long-term value creation. By integrating these insights, Atlan refines its sustainability strategy to proactively manage risks and drive long-term value creation while addressing evolving stakeholder expectations.

Atlan annually reviews material matters, considering stakeholder concerns, company priorities, emerging issues and regulatory changes. This year, Atlan updated its material ESG factors to align more closely with current reporting frameworks. As part of this update, we streamlined categories, merged related topics, and focused on key issues to ensure their ongoing relevance. These adjustments, designed to align more closely with the TCFD Recommendations, have reduced our material ESG factors from 18 to 11.

The table below illustrates the step-by-step methodology of our Materiality Assessment.

Identification of Material Matters	<ul style="list-style-type: none"> <li>Understand the Company's distinctive operating context: common sustainability topics, sector-specific topics, peer assessment and compliance requirements.</li> <li>Identify key stakeholders and understand their needs and expectations related to sustainability impacts.</li> <li>Derive a preliminary list of sustainability matters.</li> </ul>
Assessment & Prioritisation of Material Matters	<ul style="list-style-type: none"> <li>Apply the concept of materiality and engage stakeholders to prioritise sustainability matters.</li> <li>Disclose prioritised material sustainability matters in a manner which illustrates the relative importance of each material sustainability matter.</li> </ul>
Review & Validation of Outcome	<ul style="list-style-type: none"> <li>Subject the materiality assessment outcome for validation and approval.</li> <li>Establish a review process for a materiality assessment.</li> <li>Determine the frequency of undertaking the materiality assessment.</li> </ul>










# Sustainability Governance

(Cont'd)

## Identifying Our Material Sustainability Matters (Cont'd)

### Creating a Global Impact through Materiality


















Atlan aligns its materiality assessment with the UNSDGs, ensuring its sustainability initiatives contribute to global sustainability efforts. Mapping key material topics against relevant UNSDGs demonstrates how its strategic priorities support international sustainability objectives. This approach reinforces the Group's commitment to driving positive environmental and social impact while strengthening long-term business resilience.

Material Matter	Objectives and Targets	Stakeholders	Alignment with UNSDGs
<b>Environment</b>			
Energy Consumption & GHG Emissions	Consuming energy efficiently and moving towards a more energy-efficient, renewable future.	<ul style="list-style-type: none"> <li>Shareholders and Investors</li> <li>Government and Regulatory Authorities</li> <li>Employees</li> </ul>	   
Water Management	Assessing Atlan's strategies for responsible water use, including reducing consumption, improving efficiency and ensuring sustainable practices in water-stressed areas.	<ul style="list-style-type: none"> <li>Government and Regulatory Authorities</li> <li>Employees</li> <li>Suppliers</li> </ul>	  
Waste Management	Measuring Atlan's initiatives for reducing, reusing, and recycling waste, including handling hazardous materials responsibly and minimising landfill contributions.	<ul style="list-style-type: none"> <li>Government and Regulatory Authorities</li> <li>Employees</li> <li>Suppliers</li> </ul>	 

# Sustainability Governance

(Cont'd)



## Identifying Our Material Sustainability Matters (Cont'd)

Material Matter	Objectives and Targets	Stakeholders	Alignment with UNSDGs
<b>Social</b>			
Occupational Safety & Health	Evaluating Atlan's commitment to maintaining a safe and healthy workplace, minimising risks, and promoting employee well-being.	<ul style="list-style-type: none"> <li>Employees</li> <li>Government and Regulatory Authorities</li> </ul>	  
Talent Management & Development	Focusing on Atlan's efforts to attract, retain, and develop employees through training, career growth opportunities and skill enhancement.	<ul style="list-style-type: none"> <li>Employees</li> <li>Shareholders and Investors</li> </ul>	  
Human Capital Management & Diversity	Reviewing Atlan's initiatives to promote inclusivity, equal opportunities, and diverse representation within its workforce.	<ul style="list-style-type: none"> <li>Employees</li> <li>Government and Regulatory Authorities</li> </ul>	  
Product Quality & Customer Satisfaction	Assessing Atlan's dedication to providing high-quality products and services while meeting customer needs and expectations.	<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> </ul>	 
Community Enrichment	Evaluating Atlan's contributions to local communities through philanthropic initiatives, partnerships and programmes that address social challenges and enhance quality of life.	<ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> <li>Local communities</li> </ul>	     

# Sustainability Governance

(Cont'd)

## Identifying Our Material Sustainability Matters (Cont'd)

Material Matter	Objectives and Targets	Stakeholders	Alignment with UNSDGs
<b>Governance</b>			
Corporate Governance & Regulatory Compliance	Examining Atlan's adherence to legal and ethical standards, decision-making transparency, and integrity in governance structures.	<ul style="list-style-type: none"> <li>Shareholders and Investors</li> <li>Government and Regulatory Authorities</li> </ul>	 
Economic Performance	Reviewing Atlan's financial resilience, profitability and ability to generate long-term value for stakeholders.	<ul style="list-style-type: none"> <li>Shareholders and Investors</li> </ul>	 
Sustainable Supply Chain	Assessing Atlan's collaboration with suppliers to uphold ethical, environmental, and social standards throughout the supply chain.	<ul style="list-style-type: none"> <li>Suppliers</li> <li>Government and Regulatory Authorities</li> </ul>	

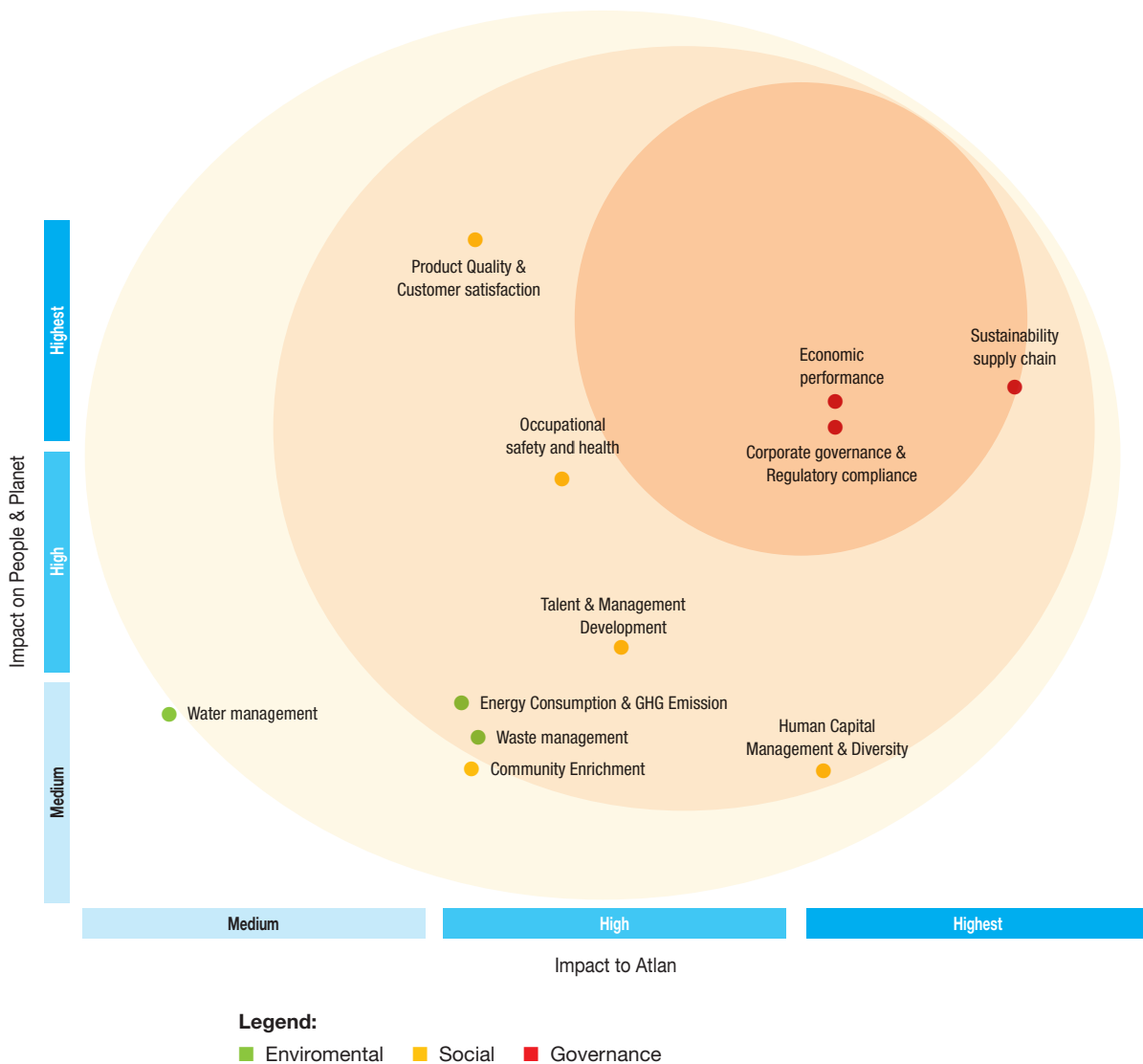
# Sustainability Governance

(Cont'd)

## Identifying Our Material Sustainability Matters (Cont'd)

### Materiality matrix

The matrix below presents the results of Atlan's materiality assessment, mapping each sustainability topic based on its importance to stakeholders and its impact on the business. The vertical axis captures stakeholder views on the environmental and social impact of each topic; the horizontal axis reflects the Board's assessment of its financial and ESG relevance. Topics in the upper-right quadrant represent the most material matters and will guide Atlan's sustainability strategy, risk management and disclosures.



Note: Certain topics have been consolidated in this FY2025 report to reflect their interrelated nature and to enhance clarity and efficiency.

# Economic and Governance

Atlan’s economic sustainability is underpinned by sound governance, strategic foresight, and a commitment to responsible value creation. The Group seeks to balance profitability with purpose, ensuring growth that is both inclusive and resilient. By continually adapting to shifting market conditions and aligning its strategies with long-term economic objectives, Atlan supports national development while delivering sustained value to its shareholders and broader stakeholder base.

By strategically investing across automotive, duty free retail and property and hospitality, the Group ensures financial stability while adapting to market dynamics. This approach emphasises sustainable revenue generation, operational efficiency and market expansion, enabling Atlan to mitigate risks and capitalise on emerging opportunities. Through prudent financial management and continuous innovation, Atlan strengthens its competitive edge, contributes to economic development and creates lasting value for stakeholders. Atlan’s financial performance for FY2025 reflects commitment to these principles, showcasing the direct economic value generated and economic value distributed as outlined in the table below:

## Our Value Distribution

	FY2023	FY2024	FY2025
	RM’000	RM’000	RM’000
<b>Economic value generated*</b>	116,036	143,538	191,196
<b>Economic value distributed</b>			
Employees (Salary and other benefits)	53,181	75,227	76,435
Government (Income tax)	6,182	9,528	11,202
Providers of capital (Dividends and finance costs)	22,899	42,420	51,881
Community (Donations)	500	350	1,150
<b>Total Economic Value Distributed</b>	82,762	127,525	140,668

\*Represents revenue and other income net off operating expenses

Our automotive segment, anchored by UIG, contributes to the automotive sector by delivering high-quality components that strengthen the broader supply chain. Its commitment to efficient production processes and sustainable practices enhances operational resilience and environmental responsibility. This integrated approach not only supports the Group’s ESG goals but also reinforces its financial performance and competitiveness in a rapidly evolving global market.

Simultaneously, the duty free segment contributes significantly to Atlan’s economic sustainability by capitalising on the growing global demand for duty free and non-dutiable products. Retail operations drive revenue, supporting regional and international economic activities and enhancing the Group’s financial performance. DFIL’s retail sales performance significantly contributes to Malaysia’s Gross Domestic Product (“GDP”) and supports public finances through corporate income tax payments. Duty free shopping also enhances the appeal of travel destinations, fostering growth in the tourism sector and its associated economic benefits.

# Economic and Governance

(Cont'd)

As for the property segment, our key asset Menara Atlan generates stable, recurring revenue through strategic real estate investments, providing a solid foundation that helps mitigate market volatility and supports the Group's financial stability. Meanwhile, our hospitality segment, represented by BIM, strengthens Atlan's international market presence and contributes to long-term growth in the tourism sector. By promoting tourism and supporting job creation, the segment advances economic sustainability and delivers positive social impact.

These diverse business segments form a robust foundation for Atlan's economic resilience. Strategically managing and expanding investments across these areas will position the Company for sustainable growth, adapting to changing market conditions while contributing to economic development across its portfolio.

## Forging Alliances for Sustainable Industry Growth

Atlan engages actively with relevant industry organisations across its various business segments, recognising that collaboration is key to nation-building and industry progress. By working alongside industry peers, Atlan promotes knowledge exchange, fosters innovation, and supports the development of best practices that strengthen the broader sector. Through sharing expertise, contributing insights, and participating in joint initiatives, Atlan helps shape industry standards, influence policy, and drive advancements that build resilience and enhance competitiveness.

Segment	Memberships	
Duty Free	<ul style="list-style-type: none"> <li>Malaysia Retailers Association</li> </ul>	<ul style="list-style-type: none"> <li>Singapore Business Federation</li> </ul>
Automotive	<ul style="list-style-type: none"> <li>Malaysian Automotive Component Parts Manufactures ("MACPMA")</li> <li>Federation of Malaysian Manufacturers ("FMM"),</li> </ul>	<ul style="list-style-type: none"> <li>Proton Vendor Association ("PVA"),</li> <li>Malaysia Employers' Federation ("MEF").</li> </ul>
Property and Hospitality	<ul style="list-style-type: none"> <li>Chamber of Commerce</li> </ul>	

## Sustainable Supply Chain

Atlan operates within a broad and interconnected supply chain, making it essential to minimise impacts across the network. The Group actively engages with suppliers and contractors to foster strong partnerships based on transparency, accountability and shared values. By maintaining open communication and conducting sustainability assessments, Atlan works closely with suppliers to drive sustainability and uphold ethical business practices, ensuring long-term resilience and positive impact.

Atlan's procurement guidelines define clear expectations in critical areas such as environmental management, human rights, labour practices, health and safety and ethical business conduct. Through this structured approach, the Group collaborates with suppliers to enhance supply chain resilience, reduce risks and promote responsible growth across its operations.

# Economic and Governance

(Cont'd)

## Prioritising Local

Atlan is committed to building a responsible and resilient supply chain that aligns with its ESG values. This includes prioritising local procurement to reduce environmental impact, support community development, and enhance supply chain agility. The Group works closely with suppliers who share its commitment to ethical practices, environmental stewardship, and social responsibility. By embedding sustainability and transparency into supply chain operations, Atlan strengthens long-term business resilience while contributing to broader economic and social progress.

Segment	Local Procurement in FY2025
Automotive	66%
Duty Free	67%
Property and Hospitality *	100%

\* The above percentage excludes BIM, whose operations are entirely based in the United Kingdom.

## Sustainability in the Supply Chain: Environmental, Social and Operational Efficiency

Atlan partners with suppliers, sharing its values and demonstrating commitment to sustainable practices. Through rigorous assessments and open, transparent communication, the Group cultivates a responsible supply chain that upholds ethical conduct, social responsibility and environmental stewardship, ensuring long-term sustainability and a positive community impact. Atlan prioritises suppliers with social and environmental certifications, ensuring alignment with the Group’s sustainable business practices.

Environmental integration focuses on reducing resource consumption, managing emissions and promoting sustainable sourcing, contributing to climate action and operational efficiency. Social responsibility ensures fair wages, safe working conditions and inclusive employment practices, fostering a positive impact on communities and workers.

Embedding these principles into procurement and supplier engagement strengthens accountability, enhances business continuity and aligns with global sustainability expectations.

The Group’s automotive arm conducts regular supplier audits, site visits, and safety awareness initiatives to ensure adherence to Atlan’s quality, environmental and safety standards. Eight suppliers were audited in FY2025, achieving an average compliance score of 86.70%. By actively engaging with suppliers on-site and monitoring their practices, Atlan promotes responsible sourcing, safe working conditions, environmentally conscious operations and socially inclusive practices—ensuring that sustainability principles are embedded throughout the Group’s procurement processes and supplier relationships.

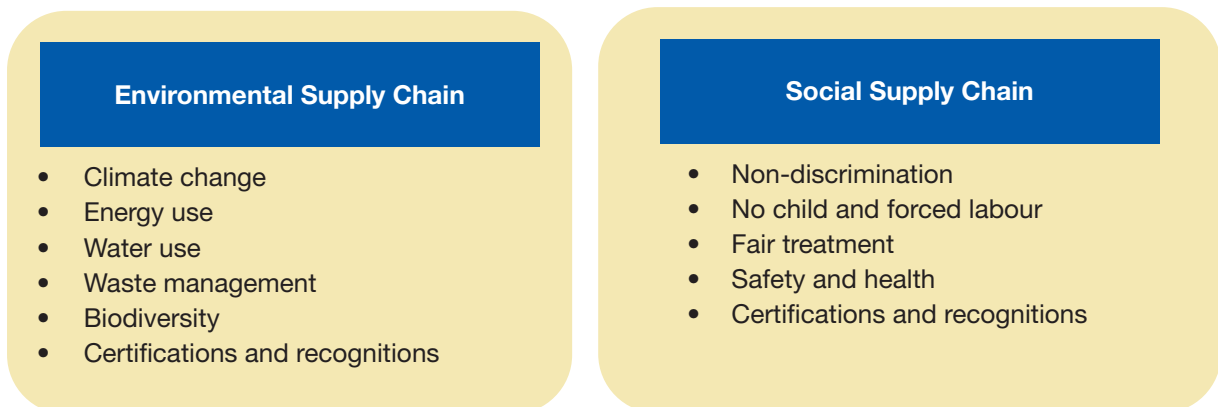
# Economic and Governance

(Cont'd)

Similarly, our duty free arm, DFIL, collaborates closely with brand principals, many of whom have established ESG initiatives. The Group collaborates with vendors on sustainability efforts, such as pallet recycling and glass bottle collection. Some suppliers have also reduced paper usage by offering glass bottles without gift boxes.



## Sustainability Criteria Assessed within Our Supply Chain



# Economic and Governance

(Cont'd)

## Corporate governance

Trust, accountability, and ethical conduct are the cornerstones of good governance. These principles form the foundation of a robust governance framework that supports business sustainability, drives economic growth, and strengthens supply chain stability. Accordingly, the Group is committed to upholding the highest standards of corporate governance across all business activities, with reference to the Malaysian Code on Corporate Governance 2021 (MCCG 2021).

Our current governance policies outline the ethical and business conduct principles that we strictly adhere to in fulfilling our sustainability commitments. We also expect our employees and stakeholders to uphold the same high standards of ethical conduct, ensuring alignment across our entire value chain. All relevant documents are available on our corporate website at [www.atlan.com.my](http://www.atlan.com.my).

### Ethics and Integrity

The Group's Anti-Bribery and Anti-Corruption Policy & Guidelines align fully with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), providing a comprehensive framework for risk assessment, legal compliance and reporting concerns. BIM adheres to its anti-bribery policy for international operations following the UK anti-corruption, bribery and ethical standards.

Atlan's Code of Conduct defines ethical expectations for employees, reinforced through induction training for new hires, ensuring they are well-prepared and committed to upholding these standards from the outset.

We have also conducted corruption risk assessment throughout our operations and the outcome are as per table shown below:

	FY2023	FY2024	FY2025
Percentage of operations assessed for corruption-related risk	100%	100%	100%

Our Group has maintained a track record of zero reported cases of corruption over the past three financial years from FY2023 to FY2025.

	FY2023	FY2024	FY2025
No. of confirmed incidents of corruption	0	0	0

### Whistleblowing

Atlan has firmly committed to transparency and ethical conduct throughout the organisation. The whistleblower channel allows employees to report concerns that conflict with the Group's values and policies confidentially, reinforcing Atlan's commitment to ethical conduct. Employees can raise legitimate concerns or report unethical or improper activities to their immediate superior, the Audit and Risk Management Committee, the Head of Internal Audit, the Chairman of the Board, or the Executive Director. Employees can voice their concerns anonymously, with complete confidentiality and without fear of retaliation.

# Economic and Governance

(Cont'd)

## Corporate governance (Cont'd)

Our Group has maintained a track record of zero reported cases of whistleblowing over the past three financial years from FY2023 to FY2025.

	FY2023	FY2024	FY2025
No. of incidents of whistleblowing	0	0	0

## Regulatory Compliance

Atlan is committed to maintaining the highest regulatory compliance standards across all its operations. The Group ensures strict adherence to relevant legislation and industry-specific regulations, including but not limited to the following:

- Companies Act 2016
- Customs Act 1967
- Income Tax Act 1967
- Employment Act 1955
- Sales Tax Act 2018 & Service Tax Act 2018
- Occupational Safety and Health Act 1994
- Environmental Quality Act 1974
- Industrial Coordination Act 1975
- Price Control and Anti-Profiteering Act 2011

Atlan also complies with any other relevant legislation that may apply to its specific industries, continuously reviewing and updating internal policies to stay aligned with evolving legal requirements and best practices.

## Data privacy and cybersecurity

The adoption of digital infrastructure and technologies has become essential for organisations worldwide. At Atlan, we share this commitment to staying ahead through digital transformation across our operations. This proactive approach helps us build and maintain trust with our customers, business partners, and stakeholders who entrust us with their personal and business information. We fully recognise our responsibility and are deeply committed to managing cybersecurity risks and protecting sensitive data from leaks, threats, or loss.

At Atlan, our approach to data privacy and cybersecurity is firmly guided by the Personal Data Protection Act 2010, which governs the collection, use, disclosure, and retention of personal data. This legislation forms the legal backbone of our data management practices. To enhance our security measures, we have established servers in secure locations, and our firewall and antivirus software are regularly installed and updated by qualified IT professionals. Additionally, physical documents are securely stored, with access strictly limited to authorised personnel who manage the keys.

As of FY2025, we are glad to report that there were zero substantiated complaints concerning breaches in customer privacy or data loss for three financial years from FY2023 to FY2025.

	FY2023	FY2024	FY2025
Number of substantiated complaints concerning breaches of customer privacy or data loss	0	0	0

# Environmental

Atlan is committed to environmental sustainability across its diverse operations, spanning automotive manufacturing, duty free retail, and property management and hospitality. Atlan acknowledges the environmental impact of its business activities and continuously implements measures to enhance efficiency, reduce resource consumption and minimise its carbon footprint.

We committed to environmental sustainability by prioritising energy conservation, water efficiency, responsible waste management, and regulatory compliance across all operations. Sustainability is embedded into every facet of the business, from optimising building performance and enhancing manufacturing processes to adopting sustainable retail practices and promoting eco-friendly hospitality. By leveraging innovation, integrating sustainable alternatives, and proactively mitigating environmental risks, Atlan reduces its environmental footprint while strengthening operational resilience and long-term business excellence.

Atlan's manufacturing arm, operates with the highest environmental standards due to its significant environmental footprint. The division adheres to ISO 14001, a globally recognised framework for managing air, water and noise pollution across the product lifecycle—from raw material sourcing to manufacturing and disposal. Currently, our UIG's plants at Meru Plant 1 in Klang had been fully certified with ISO 14001.

Through robust governance structures and adherence to international standards, Atlan ensures environmental responsibility remains central to its business strategy, driving long-term sustainability and operational excellence.

## Energy and Carbon Emissions

Atlan is committed to reducing its environmental impact through a structured and strategic energy management approach. This includes improving resource efficiency, integrating conservation practices, and optimising energy use across all operational sites, including buildings, plants, and outlets.

Energy management is a core element of Atlan's broader sustainability governance framework. A dedicated cross-functional team is responsible for developing and implementing energy policies, monitoring performance, and driving continuous improvement. This team works closely with maintenance, operations, and property management functions to ensure effective execution on the ground.

Regular performance reviews and robust reporting mechanisms are in place to ensure alignment with Atlan's corporate sustainability goals, regulatory requirements, and evolving stakeholder expectations. This approach supports our long-term vision of operational excellence, environmental stewardship, and responsible energy use.

# Environmental

(Cont'd)

## Strategy

Atlan prioritises energy conservation and efficiency investments, including:

Duty Free	Automotive	Property and Hospitality
<ul style="list-style-type: none"> <li>Engages in stakeholder dialogue, particularly with supply chain partners, to explore energy-saving initiatives</li> <li>Optimises in-store lighting and ambient temperature</li> <li>Implements LED technology</li> <li>Adopts differential switches to minimise consumption during closing hours</li> <li>Shuts down power supply in unused operational areas</li> <li>Uses A-rated electronic devices for air-conditioning and refrigeration</li> <li>Uses split units air-conditioning</li> <li>Uses inverter-based equipment</li> </ul>	<ul style="list-style-type: none"> <li>Staggered machine activations to prevent energy surges and minimise maximum demand charges</li> <li>Uses low-voltage, high-volume fans to enhance ventilation efficiency</li> <li>A gradual transition from wall fans to energy-efficient inverter fans has led to a 51.85% reduction in energy consumption to date</li> <li>Implements see-through claddings to allow natural light penetration</li> <li>An insulated roof to reduce heat transfer</li> </ul>	<ul style="list-style-type: none"> <li>Uses LED fixtures in lift lobbies, staircases, recess lights and multi-level parking blocks</li> <li>Regular maintenance of Mechanical Ventilation and Air Conditioning (“MVAC”) systems</li> <li>Lighting and motion sensors in staircases</li> <li>Installation of inverters to adjust power supply according to demand</li> <li>Replaced heating boilers with models featuring better energy ratings</li> <li>Installed a new Building Management System (“BMS”) to enhance energy control and efficiency</li> <li>Replaced gas washing machines and dryers with more efficient electric models</li> </ul>

## Targets and Performance

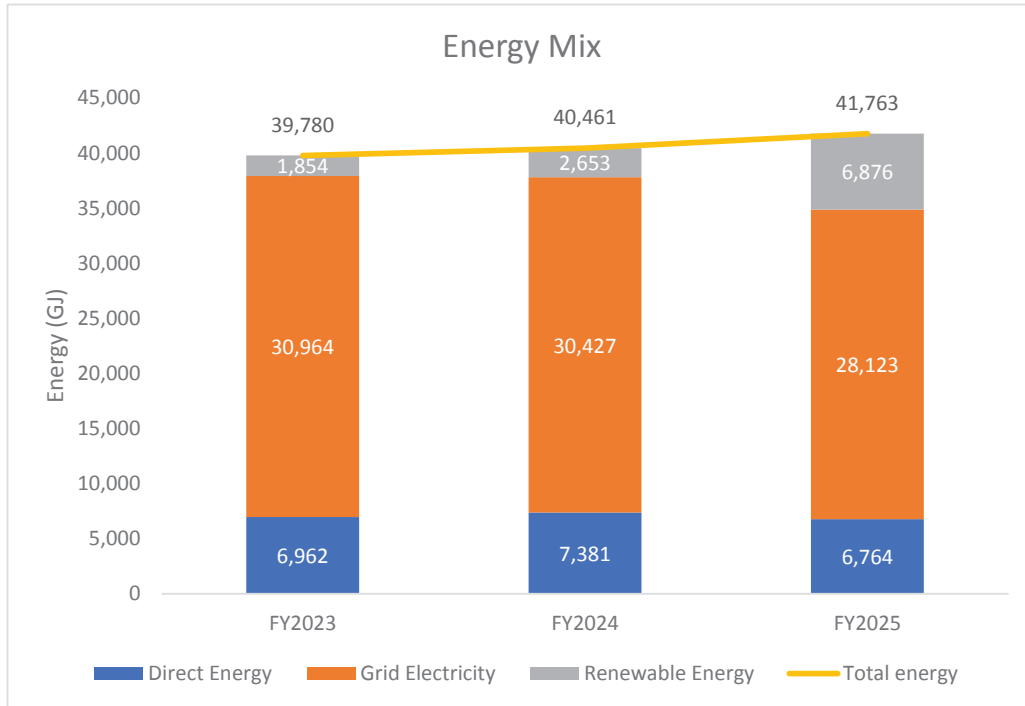
Atlan commits to measurable energy reduction goals that align with sustainability objectives and industry best practices. The Group sets annual energy efficiency targets, optimises energy use across facilities and progressively integrates renewable energy solutions. Continuous tracking and assessment refine strategies and drive long-term improvements.

Specifically, Atlan’s automotive division has set a target to reduce electricity consumption by 5% compared to the previous year. As part of its ongoing sustainability efforts, solar panel installations have significantly reduced dependency on electricity from the grid by 25%. Notably, the Phase 1 Solar PV system at the Meru Plant 1 has resulted in energy savings of 1.1 million kWh, equivalent to approximately RM0.5 million in cost reductions.

# Environmental

(Cont'd)

## Energy Mix



Note: FY2025 data includes BIM, following its acquisition by Atlan in FY2024.

## Renewable Energy



Solar Panels at the Rooftop of UIG Meru Plant 1

# Environmental

(Cont'd)

Atlan integrates renewable energy sources into its operations as part of its commitment to sustainable growth and reducing environmental impact. The Group continuously enhances its energy portfolio to meet increasing demand while prioritising sustainability.

A significant milestone in the Group's sustainability journey is the expansion of solar energy initiatives by Atlan's duty free arm, DFIL. At the Padang Besar outlet, rooftop solar panels with a total installed capacity of 211.3 kWp generated 273.5 MWh of electricity in FY2025, resulting in an average monthly savings of RM11,600. This initiative reinforces Atlan's commitment to reducing its carbon footprint, cutting reliance on non-renewable energy and driving long-term cost efficiency.

Similarly, Atlan's automotive division, UIG, installed a solar panel system at its Meru Plant 1 last year, achieving an annual energy cost reduction of 30%. Building on this success, the Group plans to expand its renewable energy efforts by installing solar panels at Pegoh Plant 2 and the UISB building (Block F), further embedding sustainability into its operational footprint.

Atlan's hospitality division, BIM, is finalising negotiations for installing a comprehensive solar PV system. This system will include battery storage and car charging points, enabling the hotel to source 50% of its electricity consumption from renewable energy. This initiative reinforces Atlan's commitment to integrating renewable energy across all operations.

In addition to new installations, Atlan prioritises the maintenance of existing solar arrays to ensure maximum efficiency. Routine cleaning and system checks remove dirt and other obstacles that could impact energy production capacity. This proactive approach ensures optimal solar system performance, further advancing Atlan's environmental goals.

## Task Force on Climate-Related Financial Disclosures

Atlan acknowledges the significant and immediate impacts of climate change on and arising from its duty free, manufacturing, property and hospitality operations. As these sectors evolve, Atlan navigates climate-related risks such as supply chain disruptions, regulatory shifts and changing consumer expectations while embracing opportunities for sustainable growth. To address these challenges, Atlan integrates the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations into its operational framework, spanning governance, strategy, risk management and performance metrics. Aligning with TCFD enhances resilience, strengthens sustainability efforts and reinforces commitment to responsible business practices.

# Environmental

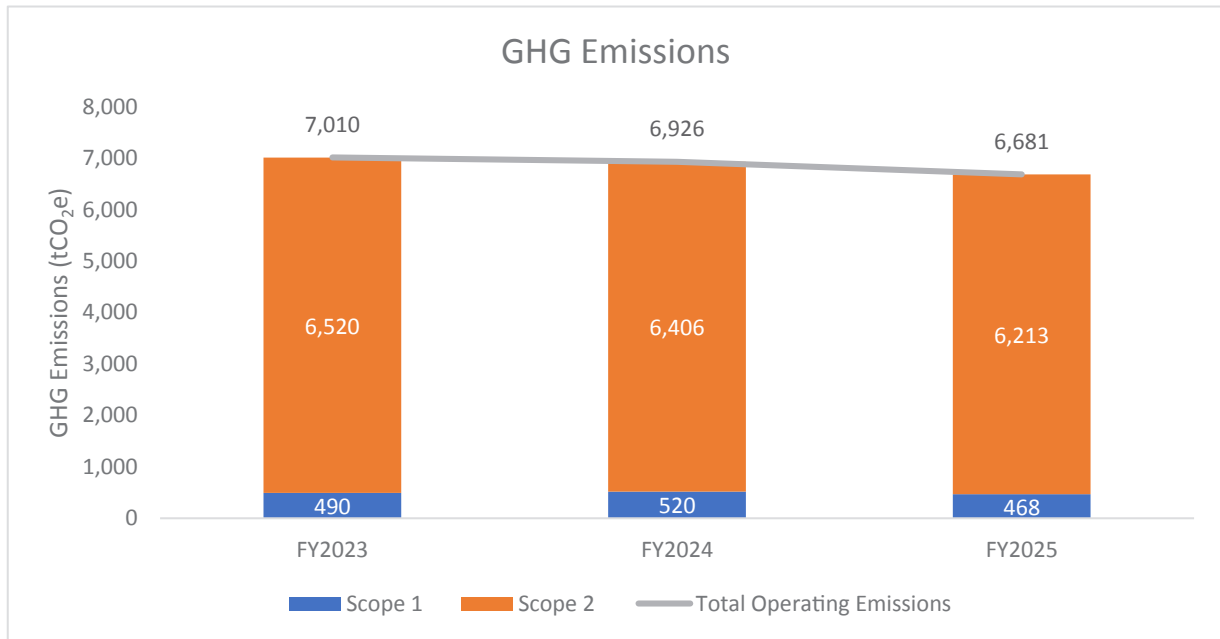
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Key Areas	Rationale	Atlan's Approaches
Governance	Ensuring Board oversight and accountability for climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>The Board integrates climate-related considerations into strategic planning, risk assessment and investment decisions.</li> <li>A dedicated sustainability committee (or ESG task force) advises on climate risks and opportunities.</li> <li>Senior leadership is responsible for implementing climate strategies and reporting progress to the Board.</li> </ul>
Strategy	Assessing the impact of climate risks and opportunities on business growth and financial planning.	<ul style="list-style-type: none"> <li>Atlan incorporates climate-related risks, including physical (extreme weather, rising temperatures) and transition (carbon taxes, regulatory changes) risks, into its long-term business strategy.</li> <li>The Group invests in renewable energy, energy-efficient operations and sustainable sourcing to reduce environmental impact.</li> <li>Atlan evaluates the financial implications of climate change, including potential carbon pricing and operational costs.</li> <li>Atlan's automotive division is actively involved in CO<sub>2</sub> reduction activities at its plant, collaborating with key customers and aligning shared sustainability goals through joint environmental initiatives.</li> </ul>
Risk management	Identifying, assessing and mitigating climate-related risks to ensure business resilience.	<ul style="list-style-type: none"> <li>Climate risks are mapped within Atlan's Enterprise Risk Management ("ERM") Framework, considering regulatory, physical and market-related risks.</li> <li>The Group conducts scenario analysis to evaluate the impact of climate-related disruptions on operations and supply chains.</li> <li>Risk mitigation strategies include diversifying suppliers, investing in climate-resilient infrastructure and reducing carbon dependency.</li> </ul>
Target	Setting measurable goals to manage climate-related risks and track sustainability progress.	<ul style="list-style-type: none"> <li>Atlan actively measures and discloses Scope 1, 2 and 3 greenhouse gas ("GHG") emissions, focusing on reducing operational carbon intensity.</li> <li>The Group is setting science-based carbon reduction targets ("SBTs") aligned with global climate goals.</li> <li>Internal ESG reporting tracks progress, with annual updates provided in the Sustainability Report.</li> </ul>

# Environmental

(Cont'd)

## GHG Emissions



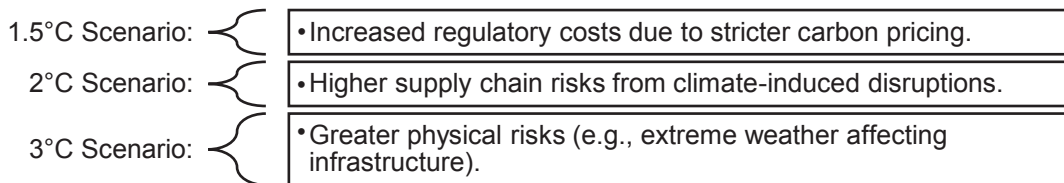
Note: FY2025 data includes BIM, following its acquisition by Atlan in FY2024.

### Climate Risk & Transition Planning

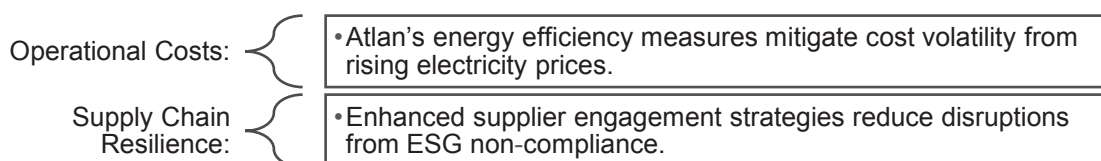
Atlan integrates climate-related risks into its strategic planning, enhancing resilience against regulatory, operational and market risks from climate change.

Atlan assesses climate risks under multiple global warming scenarios to anticipate financial impacts.

#### Scenario-Based Climate Risk Analysis



#### Climate Risk Integration into Financial Planning



Atlan aligns its climate disclosures with TCFD and IFRS S2, reinforcing transparency and risk preparedness.

# Environmental

(Cont'd)

## Waste Management

Atlan remains dedicated to environmental responsibility by implementing structured waste reduction strategies across its buildings, facilities, and outlets. The Group's waste management approach is centered on minimising waste at the source through optimised resource use and improved operational efficiency; maximising reuse and recycling efforts to reduce landfill contributions; and ensuring the safe handling, storage, transportation, and disposal of residual waste in full compliance with regulatory requirements.

### Waste Handling at Each Operation

#### Duty-free Retail

- Waste produced by outlets primarily consists of packaging materials, which are managed through the waste disposal system and recycled appropriately.
- DFIL retains and reuses back walls and gondolas from one outlet to another as needed, reducing the demand for new resources and minimising the environmental impact of manufacturing new fixtures and fittings.
- DFIL recycles all pallets back to the vendor after unloading, ensuring they are consistently reused within the warehouse.
- DFIL is assessing the monthly volume, types and sizes of bags used to transition exclusively to biodegradable or recycled alternatives for its retail business. It plans to fully replace conventional bags with sustainable options by FY2027.

#### Manufacturing

- A licensed contractor removes waste paint from the UIG plant within 180 days, ensuring compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. Additionally, a licensed scheduled waste contractor recycles waste and recovers paint pigments or other recyclable materials.
- UIG properly labels and stores all oil drums to ensure safe handling.
- The movement of scheduled waste is recorded in the Electronic Scheduled Waste Information System (eSWIS), in compliance with the Environmental Quality Act 1974 (EQA 1974).

#### Property and Hospitality

- Paper waste minimisation remains an ongoing effort across all offices. The Group has introduced local initiatives to reduce paper usage, including double-sided printing and encouraging digital document storage, only printing when necessary.
- Recycling bins and dedicated food waste bins are available at BIM to promote waste segregation.
- Single-use plastic reduction initiatives include: removing plastic straws and replacing them with paper straws.
- Replacing single-use napkins with reusable linen napkins.
- Introducing wall-mounted refillable dispensers for toiletries, reducing single-use plastic bottles.

# Environmental

(Cont'd)

## Our Performance

	FY2023	FY2024	FY2025
Total solid waste generated (tonnes)	1,733	1,631	1,701
Total solid waste recycled (diverted from landfill) (tonnes)	1,733	1,631	1,695

Note: FY2025 data includes BIM, following its acquisition by Atlan in FY2024.

### Pollution Management

Pollution management is a key priority for our manufacturing division, where emissions control is crucial in minimising environmental impact. UIG conducts annual isokinetic stack and air emission monitoring to ensure compliance with the Malaysian Environmental Quality (Clean Air) Regulations 2014. The most recent monitoring showed that dust concentration levels across six factory stacks were well within regulatory limits. This systematic evaluation prevents the release of hazardous substances into the atmosphere during spraying, protecting the environment and the well-being of surrounding communities. BIM is implementing initiatives to reduce pollution and promote sustainable practices in the hospitality sector, including planning to:

- Install electric vehicle (“EV”) charging points at the hotel to encourage eco-friendly transportation.
- Generate 50% of its electricity consumption from solar PV, reducing reliance on conventional energy sources and lowering overall environmental impact.

### Water Management

Given the diverse nature of its business, Atlan implements customised water-saving initiatives designed to meet each business segment’s specific needs and consumption patterns. Focusing on areas where operations can exercise direct control optimises efficiency and minimises unnecessary consumption. This approach combines proactive monitoring, technological integration and sustainable water sourcing to enhance conservation efforts across business operations.

Atlan exercises strict control over water consumption, integrating technology to enhance efficiency and promptly repair leaks. Sensor-equipped hand wash systems reduce unnecessary water usage. At Menara Atlan, individual isolating valves help minimise water loss during emergencies. Ongoing work to identify and replace deteriorating water pipes prevents failures and ensures smooth operations.

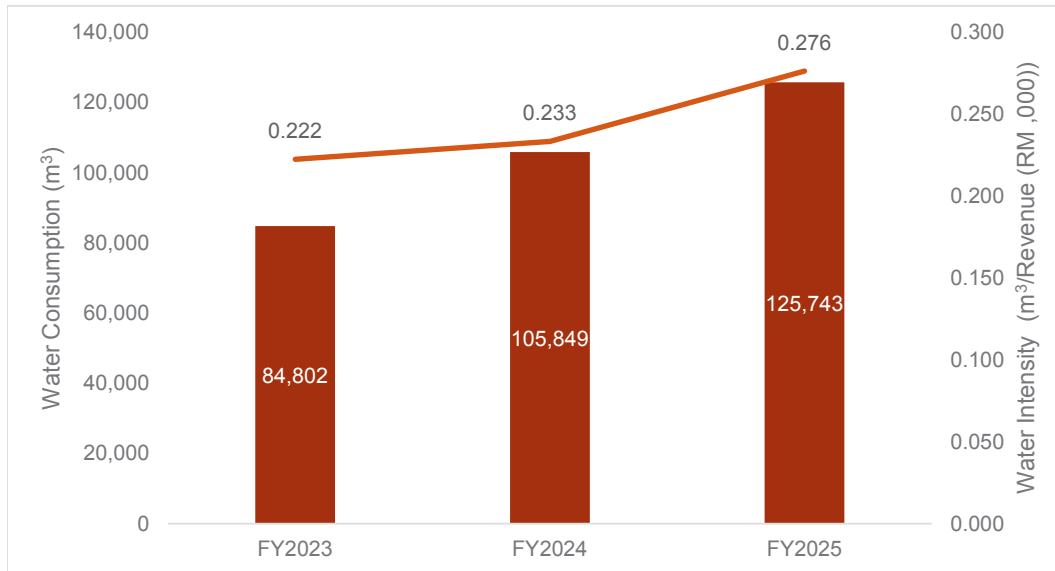
Atlan’s hospitality arm, BIM, installed an on-site borehole to strengthen water self-sufficiency, which BIM projects to meet approximately 70% of its total water demand. This initiative reduces reliance on external water sources while improving operational resilience.

Meanwhile, Atlan’s automotive division has long practised rainwater harvesting, primarily for watering plants and trees at the business premises.

# Environmental

(Cont'd)

## Water Performance



Note: FY2025 data includes BIM, following its acquisition by Atlan in FY2024.

## Biodiversity and Conservation

Atlan is deeply committed to biodiversity conservation, recognising its importance in maintaining ecological balance and protecting local wildlife. For example, Atlan’s international hospitality operation, BIM, has significantly invested in initiatives supporting and preserving native species, including:

- Establishing a reptile mitigation area to safeguard local reptile populations
- Installing bat houses and bat boxes to provide safe roosting spaces
- Converting a barn into a habitat for barn owls

Creating and maintaining these ecosystems contributes to natural pest control, enhances biodiversity and promotes long-term environmental sustainability.



# Social

Atlan prioritises its people by fostering a resilient, inclusive, and purpose-driven workforce. The Group promotes employee well-being and engagement through regular feedback mechanisms, such as annual surveys, and provides continuous learning and development opportunities. Leadership encourages transparent communication and empowers individuals to take ownership of their roles, cultivating a collaborative and supportive workplace aligned with organisational goals.

## Employee Wellness, Engagement & Satisfaction

Atlan prioritises the social sustainability of its employees by fostering career growth, well-being and safety. The Group cultivates a collaborative and inclusive environment where everyone’s contributions and opportunities for continuous learning and development are readily available. Fair and competitive rewards recognise employees’ hard work and dedication, reinforcing a culture of appreciation. Building a supportive and empowering workplace, Atlan enables employees to thrive, celebrating their success as a shared achievement.



Health and Wellness Day at Atlan Head office

## Connected in Engagement, United in Well-being

A healthy workforce is essential for achieving long-term success and well-being, personally and professionally. Atlan regularly organises initiatives that promote physical and mental well-being, celebrate milestones and strengthen the sense of community within the organisation.

The Health and Wellness Day provided employees access to health-focused activities, including BMI, blood sugar, cholesterol, hypertension checks, body composition scans, eye screenings and physiotherapy consultations. Held on 10 December 2024, the event featured immune booster sessions, insurance policy reviews and a cardiologist-led talk on heart health. Employees received a nutritious lunch to reinforce the importance of maintaining a balanced lifestyle.

Atlan recognises the significance of cultural and national celebrations and hosted a Hari Raya and Labour Day appreciation event on 6 May 2024. Employees participated in traditional food-sharing, games and performances, promoting team cohesion and recognising their contributions. These events foster inclusivity and appreciation while acknowledging both individual and collective achievements.

Atlan promotes employee well-being in its manufacturing operations by requiring participation in “TAISHO,” a light exercise session designed to improve mood and enhance well-being before work. Employees in need of mental health support are encouraged to consult their Head of Department (“HOD”), Human Resources Department (“HRD”) or the Safety Department.

# Social (Cont'd)

## Connected in Engagement, United in Well-being (Cont'd)

Atlan embraces a strong sense of unity, viewing the organisation as one big family where employees support one another, especially in times of need. The Group fosters a collective spirit by pooling contributions from associates to assist colleagues facing personal hardships. This support extends to those who have lost a spouse, been affected by natural disasters such as floods, or are facing financial difficulties. Additionally, Atlan provides festive contributions during occasions like Ramadan and Chinese New Year. These initiatives reflect the Group's deep commitment to compassion, solidarity, and standing together through every season of life.



Employees Social Engagements FY2025

## Compensation and Benefit

Atlan regularly reviews its remuneration packages to ensure fair and competitive compensation, guided by current market benchmarks to remain above industry standards.

In its Manufacturing Division, skill-based allowances—such as brazing and technical skill incentives—have been introduced to retain experienced operators and recognise their specialised capabilities. In the Hospitality Division, a comprehensive review of the staff rate structure is underway to maintain market competitiveness, alongside plans to expand employee benefits, including discounted room hire and event hosting privileges. Additionally, a new commission structure has been implemented to encourage staff participation in function sales, rewarding successful bookings. These enhancements aim to boost employee satisfaction, motivation, and engagement, reinforcing a culture of excellence across the Group.

# Social

(Cont'd)

## Career Development

Atlan is committed to fostering long-term career growth by prioritising professional development over short-term employment. Through a blend of internal and external learning opportunities, employees are equipped with the tools needed for success. Each division’s Human Resources team identifies skill gaps and designs personalised training calendars to meet the evolving needs of the workforce. Atlan actively encourages participation in professional development programmes, including leadership workshops, technical certifications, language courses, and personal growth initiatives—ensuring that every employee is supported in advancing both their professional capabilities and personal aspirations.

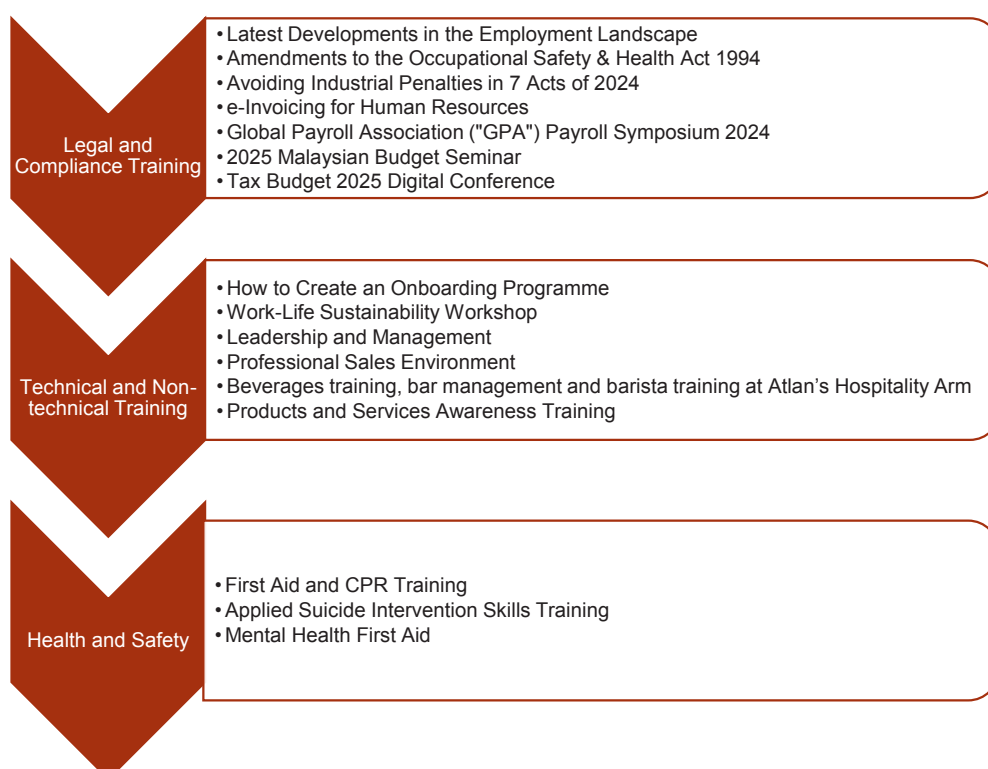
In FY2025, the Group has invested 5,569 training hours comprising various programme covering soft skills, as well as functional or technical skills, safety and others. On average, each employee received 5 hours of training.

### Our Performance

	FY2023	FY2024	FY2025
Total training hours	6,252	5,374	5,569
Average training hours per employee	5	4	5
Total training hours by category			
Executive	4,388	2,920	2,867
Non-Executive	1,864	2,454	2,702

Note: FY2025 data includes BIM, following its acquisition by Atlan in FY2024.

### Training activities conducted and attended in FY2025

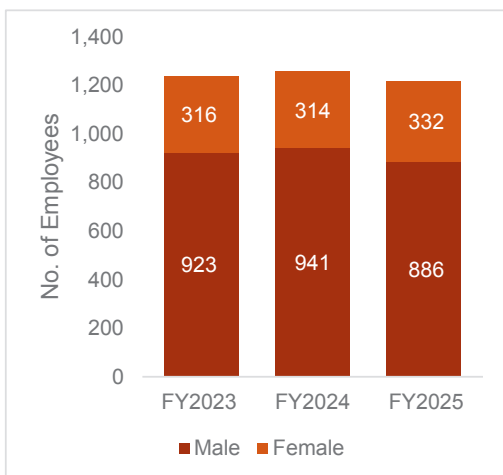


## Elevating Experiences through Unique Inclusivity and Diversity

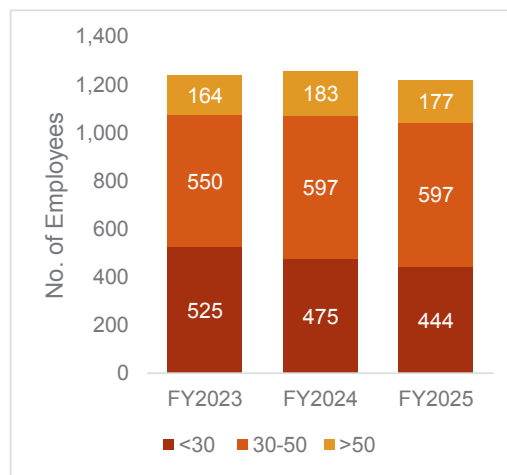
Atlan is committed to reinforcing diversity and inclusion across all aspects of its work culture. The Group fosters an environment that does not tolerate discrimination or harassment of any kind. Atlan respects all employees, regardless of race, ethnicity, gender, religion, age, disability, sexual orientation, or any other protected status and provides them equal opportunities to succeed. The Group ensures fairness in hiring, pay, training, development, promotions and all other aspects of employment. Committed to equal pay for equal work, Atlan empowers individuals to thrive.

Diversity and inclusion are essential for fostering a dynamic and innovative workplace. The Group engages with diverse stakeholders across its automotive, hospitality and retail industries. Each contributes unique perspectives. This diversity strengthens Atlan's approach, enhancing its ability to understand varied needs and develop creative, practical solutions.

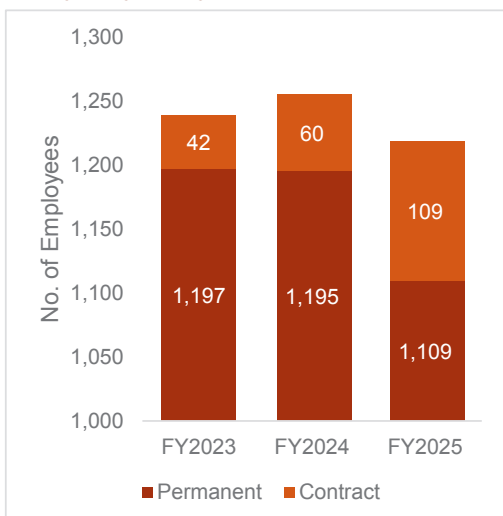
**Employees by Gender**



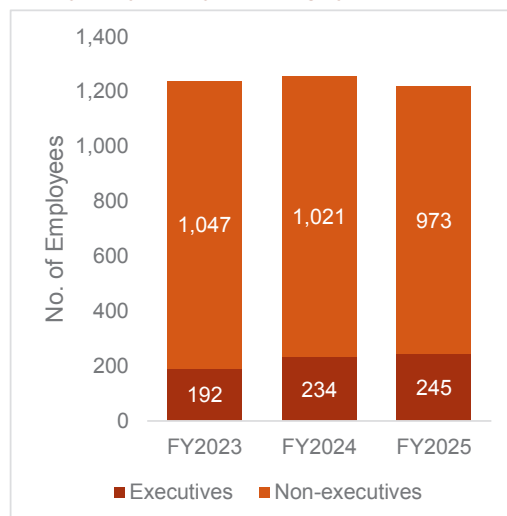
**Employees by Age**



**Employees by Employment Contract**



**Employees by Employment Category**



Note: FY2025 data includes BIM, following its acquisition by Atlan in FY2024.

## Social (Cont'd)

### Local First

Atlan is committed to building a strong, locally rooted workforce by creating meaningful employment pathways and nurturing future talent across its diverse business divisions. Through targeted recruitment, strategic partnerships, and hands-on learning opportunities, the Group continues to empower communities while supporting long-term business growth.

The Group's duty free retail arm actively recruits local candidates through MyFutureJobs and collaborations with recruitment firms, ensuring its talent acquisition strategy aligns with its travel retail vision. Over 99% of staff working at DFIL outlets are local residents.

Atlan's hospitality arm, BIM, actively engages with the local community to support workforce development. The hotel's central location naturally attracts local job applicants, creating opportunities to nurture homegrown talent. BIM maintains a strong partnership with the local college in St Austell, particularly through spa initiatives, where it organises tours and interactive talks to inspire students to explore career opportunities in the hospitality and wellness industries.

Across the Group, Atlan supports work experience and placement programmes, providing students with hands-on exposure to real-world industry dynamics. These initiatives offer valuable career insights while facilitating the early identification and development of promising talent, reinforcing Atlan's commitment to sustainable community development and local business growth. Atlan's automotive division collaborates with colleges and offers structured internship programmes to nurture future industry professionals.

### Occupational Safety and Health

Atlan prioritises safety and health as a fundamental aspect of its operations, fostering a safety-oriented culture that safeguards employee well-being. The Group implements tailored safety guidelines to address sector-specific risks by recognising the distinct safety requirements across its automotive, duty free retail, property and hospitality divisions.

Aligned with stringent safety standards, Atlan enforces robust safety protocols, conducts regular assessments and provides comprehensive training programmes to ensure employees remain well-prepared and informed.

The Group extends its safety commitment to the supply chain by encouraging contractors and business partners to uphold workplace safety. Atlan has set specific protocols for contractors, suppliers, and visitors exposed to high-risk activities, such as hot work, operating lifting equipment (including sky lifts and cranes), confined space activities, electrical commissioning, and working at height. Responsible sourcing practices require suppliers and vendors to manage health and safety risks, ensuring workers operate in a safe and protected environment.

# Social

(Cont'd)

## Featuring Safety Initiatives at Various Operations

- UIG's mock fire drill exercise, conducted in collaboration with the Fire and Rescue Department of Malaysia, recorded an impressive evacuation time of 10 minutes.
- Menara Atlan underwent its annual BOMBA inspection and renewed its Fire Certificate, which included comprehensive checks on all fire extinguishers.
- BIM conducted an eight-week Fire Marshal training to review procedures, inspect emergency bag contents and refresh their responsibilities in the event of an emergency.
- A fire risk assessment was conducted this year at BIM.
- Annual BOMBA premise inspections were conducted at duty-free retail outlets.
- Monthly JKPP inspections and calibrations for lifts and escalators.
- Monthly firefighting system tests and maintenance.
- TNB switchboard inspections are conducted every two years, as mandated by Suruhanjaya Tenaga.



### Fire Safety

- Chemical spillage control training.
- Safe chemical substitution training.
- Personal Protective Equipment (PPE) compliance.
- Training on chemical exposure risk.
- Chemical inventory, safe handling and storage.
- Safe pest control practices.
- Chemical handling in kitchens.
- Eco-friendly housekeeping practices.



### Chemical Safety

- PPE, including safety shoes and helmets, is mandatory before starting any work on-site.
- Safety awareness and briefing sessions are conducted for all employees, contractors and visitors.
- Contractor training focuses on high-risk areas such as hot work, lifting equipment with sky lifts and cranes, confined space work, electrical commissioning and working at heights.
- Before commencing tasks, contractors must adhere to the Group's Safety Control Procedure for Contractors, Suppliers and Visitors.
- Dengue Awareness Briefing.
- Medical Oxygen & AED Training.
- Safety support visit conducted with Leisure at BIM.
- The duty free arm implements ergonomic practices to improve work comfort, recognising the physical demands of the retail environment.



### Work Safety and Floor Safety

- UIG has been certified with ISO 45001 since 2020. Recertification was obtained in year 2023.
- Regular safety and health inspections are conducted by the Safety Department, Internal Audit and relevant authorities.
- Food hygiene and food standards inspections are conducted.



### Audit, Certification and Standards

# Social

(Cont'd)

## Safety Governance

The diverse nature of Atlan's business segments, each with distinct operations, hazards and risks, requires customised safety governance for each division. While core safety management responsibilities remain consistent, each division tailors its practices to address industry-specific needs across duty-free retailing, manufacturing, property and hospitality.

Every business division maintains a Safety Committee in compliance with the Department of Safety and Health guidelines, ensuring a balanced representation of employers and employees. These committees actively:

- Develop and refine safety rules and safe working systems.
- Assess the effectiveness of safety and health programmes.
- Monitor accident trends and unsafe conditions, recommending corrective actions.
- Review and propose updates to safety and health policies.
- Conduct quarterly workplace inspections to identify hazards.
- Investigate accidents and safety complaints, implementing corrective measures.
- Ensure proper follow-up on committee reports and recommendations.

## Safety Hazard And Risk Management

Hazards exist in every workplace in various forms, requiring continuous identification, assessment and control to manage risks effectively. Atlan implements the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") framework, aligning with the HIRARC Guidelines issued by the Department of Occupational Safety and Health ("DOSH") (2008).

UIG updated its hazard assessments for the blanking, piercing, trimming and cam-pierce processes after adding new machines. Developing a hazard checklist incorporating relevant legislation and supporting codes of practice also enhanced safety.

DFIL conducts regular inspections and maintenance of electrical and fire emergency systems, including fire alarms, emergency lights, exit signs, sprinklers, hydrants, wet and dry risers and hose reel systems. A third-party service provider performs routine checks on machine rooms, lifts and escalators to ensure proper functionality. DFIL takes immediate action in emergencies, prioritising shopper safety, fire safety systems and adequate electrical and storage facilities in store design.

## Ensuring Safety Compliance for Contractors

Atlan conducts essential checks before appointing a contractor or service provider to ensure compliance with safety and industry standards. These checks verify that contractors meet the necessary qualifications, adhere to best practices and uphold safety protocols.

## Key Compliance Checks

Risk Assessment	• Conducts a comprehensive review of the contractor's risk assessment documents to identify hazards and confirm appropriate control measures.
Insurance Verification	• Confirms that the contractor holds valid public liability, employer liability and professional indemnity insurance with adequate coverage.
Accreditation Verification	• Ensures that the contractor is accredited by recognised industry bodies (including ISO standards and CIDB registration), verifying their competence and adherence to best practices.
Certification Checks	• Verifies that the contractor holds the necessary certifications or licenses (such as electrical, plumbing or trade-specific) to confirm their qualifications for the job.

These measures ensure that all contractors and service providers meet Atlan's safety and compliance standards before commencing work, minimising risk and maintaining operational integrity.

## Respecting Human Rights

Atlan respects and protects human rights, upholding employee rights across all operations. The Group actively promotes human rights principles and extends this commitment to employees, contractors, suppliers and tenants.

Guided by fundamental human rights principles, Atlan complies with local employment laws and regulations in all operating regions. Its approach aligns with international standards, including the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the International Bill of Human Rights and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work.

# Social

(Cont'd)

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

### Key Human Rights Commitments

<b>Freely Chosen Employment</b>	Atlan maintains zero tolerance for forced, involuntary or exploitative labour, including prison, indentured, bonded (including debt bondage), trafficked or slave labour.
<b>Prevention of Child Labour</b>	Atlan prohibits child labour, defined as work performed by individuals: <ul style="list-style-type: none"> <li>• Under 15 years old</li> <li>• Below the age required to complete compulsory education</li> <li>• Under the minimum legal employment age in the country of operation (whichever is the most stringent)</li> </ul>
<b>Working Hours</b>	Atlan complies with local regulations on working hours and overtime, ensuring the reduction of excessive overtime.
<b>Wages and Benefits</b>	Employee compensation complies with all applicable wage laws, exceeding the legally mandated minimum living wages, benefits and overtime pay.
<b>Equality and Non-Discrimination</b>	Recruitment and employment practices prevent discrimination based on race, colour, religion, age, gender, sexual orientation, gender identity, ethnicity, nationality, disability, pregnancy, political affiliation, union membership, covered veteran status, protected genetic information or marital status.
<b>Talent Development</b>	Atlan provides employees with opportunities to grow, develop new skills and advance their careers.
<b>Health and Safety</b>	The Group has established a Health and Safety Management System aligned with ILO Guidelines on Occupational Safety and Health. Atlan strives for a 'Zero Harm' environment and encourages contractors, suppliers and tenants to uphold the same standards.
<b>Freedom of Association and Collective Bargaining</b>	Atlan complies with local laws on workers' rights to association and collective bargaining by: <ul style="list-style-type: none"> <li>• Maintaining an open-door policy.</li> <li>• Allowing workers to express concerns about working conditions without fear of intimidation or reprisal.</li> <li>• Respecting employees' rights to form and join trade unions, engage in collective bargaining and participate in peaceful assembly.</li> </ul>

# Social

(Cont'd)

## Community and Social Impact

Creating a positive social impact within dynamic communities is a privilege and a responsibility that Atlan takes seriously. The Group is committed to fostering long-term community value through responsible business practices, strategic partnerships and active engagement.

Each business division plays a distinct role in contributing to the well-being of local communities while collectively advancing shared goals of mutual growth, collaboration and economic empowerment. Targeted corporate social responsibility (“CSR”) initiatives, local employment opportunities, skills development programmes and community outreach efforts strengthen social ties and promote inclusive progress.

Integrating social sustainability into core operations supports local economies and enhances the overall quality of life for employees, customers and community stakeholders. Through educational sponsorships, environmental conservation efforts, disaster relief contributions, cultural engagement and community relations, the Group ensures its presence generates meaningful and lasting benefits.

Summary of contributions and donations made from FY2023 to FY2025 are as follows:

	FY2023	FY2024	FY2025
Total contribution to non-profit organisation (RM'000)	500	350	1,150
Number of beneficiaries	374	323	320

## Beyond Excellence: Premium, Exclusive, Responsible and Sustainable Experiences

Atlan is committed to responsible operations across its diverse business segments, including duty free retailing, automotive, property and hospitality. The Group upholds the highest quality and customer satisfaction standards while creating long-term value for stakeholders. Fostering strong partnerships and maintaining a sustainable business model delivers continuous growth and shared success.

## Commitment to Quality and Exclusive Experience Anytime, Anywhere

Atlan delivers a distinctive and memorable experience across its duty free retail, manufacturing, property and hospitality sectors. The Group enhances customer engagement through premium duty free offerings, innovative manufacturing solutions, exceptional property management and world-class hospitality. By maintaining high standards and operational excellence, Atlan consistently exceeds expectations and ensures an unparalleled experience at every touchpoint.

# Social

(Cont'd)

<p><b>Automotive</b></p>	<p>With over five decades of experience, UIG upholds quality excellence in automotive component manufacturing for Original Equipment Manufacturers (“OEMs”) in Malaysia. The company adheres to stringent automotive quality standards, reinforced by ISO 9001:2015 certification for its Quality Management System (“QMS”) and compliance with the International Automotive Task Force (IATF 16949:2016) standard. Rigorous audits, process optimisation and continuous improvement initiatives deliver superior product quality, reliability and compliance with industry best practices.</p>
<p><b>Duty Free Retailing</b></p>	<p>DFIL redefines exclusivity and excellence, elevating duty free shopping beyond the conventional retail experience. Each store is designed as a curated lifestyle destination, combining modern interiors, inviting scents, ambient sounds and interactive product sampling to create an immersive shopping atmosphere that resonates with customer aspirations.</p> <p>DFIL offers an extensive selection of exclusive and premium products, including confectionery, fragrances, beverages, household essentials, food, leather goods, souvenirs and fashion, alongside modern glassware and select children’s products. To enhance convenience and accessibility, DFIL secured a major local supplier, expanding its offerings to include highly sought-after household products at its Padang Besar and Pengkalan Hulu outlets, previously available only in Langkawi.</p> <p>Committed to quality and authenticity, DFIL sources exclusively from principal brand owners and regional distributors, ensuring a seamless, superior, duty free shopping experience. By maintaining strict supplier vetting, high sourcing standards and rigorous regulatory compliance, DFIL upholds excellence, sustainability and customer confidence in every purchase.</p>
<p><b>Property and Hospitality</b></p>	<p>Menara Atlan drives continuous enhancement through ongoing property upgrades, maintenance and improvements, ensuring a superior tenant experience with lasting comfort and satisfaction.</p> <p>BIM delivers an exceptional hospitality experience, seamlessly integrating comfort, elegance and personalised service. BIM sets new standards in extraordinary hospitality with luxurious accommodations, world-class amenities, curated dining experiences and attentive guest services.</p>

## Continuous Process Enhancement and Innovation

In FY2025, Atlan's automotive division focused on driving innovation and improving efficiency across its operations, prioritising reducing resource use and enhancing product quality. Key innovations and process improvements include:

A Part Process (Tubing) Transfer to Plant 2	<ul style="list-style-type: none"> <li>Streamlined production by transferring the tubing process to Plant 2, optimising resource allocation</li> </ul>
New Nylon Line	<ul style="list-style-type: none"> <li>Centralised nylon process and introduced a new bending line, reducing material waste and ensuring quality</li> </ul>
Air Type End Forming Machine	<ul style="list-style-type: none"> <li>Replaced the outdated machine, improving reliability and product quality</li> </ul>
Auto Feeder for Hipla Peeling Machine	<ul style="list-style-type: none"> <li>Automated the peeling machine, reducing manual labour and increasing consistency</li> </ul>
Auto Tube Marking	<ul style="list-style-type: none"> <li>Introduced automated tube marking, reducing manual labour and improving production speed</li> </ul>
Cobot Pick and Place	<ul style="list-style-type: none"> <li>Implemented collaborative robots for pick-and-place tasks, reducing labour and enhancing precision</li> </ul>
End Forming Automation	<ul style="list-style-type: none"> <li>Automated end-forming process, reducing manual labour and improving consistency</li> </ul>
Robot Brazing	<ul style="list-style-type: none"> <li>Replaced manual brazing with robotic technology, reducing labour costs and improving precision</li> </ul>
3D Printer	<ul style="list-style-type: none"> <li>Introduced 3D printing for faster prototyping, reducing material waste and production costs</li> </ul>

## A Family Hotel with a Community Spirit

As a family-friendly hotel, BIM delivers a premium experience for guests while welcoming the local community to enjoy its facilities. This year, the hotel invested in a comprehensive gym refurbishment, expanding the facility and upgrading equipment to serve guests and local residents more effectively.

Offering community memberships transformed the gym into a health and wellness hub, strengthening connections with the surrounding community. The refurbishment has resulted in a notable increase in memberships, reinforcing the hotel's role in promoting an active lifestyle while enhancing the overall guest experience.

## Atlan's Digitalisation Journey: Driving Innovation Across Industries

Atlan is embracing digitalisation to enhance efficiency, improve customer experiences and streamline operations across its diverse business segments, including duty free retail, automotive manufacturing, property and hospitality. This digital transformation centres on leveraging technology, automation and data-driven insights to create a more agile and connected business ecosystem.

# Social

(Cont'd)

## How We Are Advancing Digitalisation

Atlan leverages digital innovation to enhance operational efficiency, customer engagement and business resilience across its core sectors.

<p><b>Duty Free Retail</b></p>	<p>DFIL enhances the duty free shopping experience by connecting with e-commerce platforms, digital payment solutions and customer analytics to streamline transactions and personalise customer interactions. The Group drives supply chain digitalisation by replacing outdated email and hard-copy communication with a centralised Google-based data-sharing system, following an analysis of two years of logistics data. This transition improves transparency, reduces errors and enables real-time monitoring of key processes.</p>
<p><b>Automotive Manufacturing</b></p>	<p>UIG adopts automation, IoT-enabled manufacturing lines and predictive maintenance to improve efficiency, enhance product quality and optimise production processes.</p>
<p><b>Property and Hospitality</b></p>	<p>Smart building solutions, digital tenant management platforms and data analytics improve property operations, increase efficiency and enhance tenant experiences.</p> <p>BIM integrates contactless check-ins, AI-powered service personalisation and smart room technologies to enhance guest experiences and align with evolving customer expectations.</p>

Across all business sectors, Atlan continues implementing cloud computing, cybersecurity enhancements and data analytics to drive informed decision-making and future-proof operations. Remaining at the forefront of digital transformation strengthens Atlan's competitive edge while delivering greater value to customers, partners and stakeholders.

# Sustainability Targets and Performance

As Atlan progresses towards fully adopting NSRF requirements, it remains committed to enhancing its disclosures' transparency, credibility and measurability. This advancement strengthens sustainability reporting, ensuring a more significant impact and accountability. Efforts focus on establishing baseline measurements and setting relevant targets to align progress with long-term sustainability goals. The Group continuously monitors performance against these targets and implements strategic initiatives to achieve them, reinforcing its commitment to a sustainable future.

Material ESG Topics	Targets FY2025 & Beyond	Performance Status
Corporate governance	Maintain zero whistleblowing cases.	Target met
Waste management	Replace conventional bags with biodegradable or recycled options in the retail business by FY2027.	In progress
Water management	The original target to reduce water intensity by 3% by FY2026 was set using FY2024 as the baseline. However, due to an increase in water usage in line with operational requirements in FY2025, the baseline has been revised to FY2025 to better reflect current operating conditions, and the target year has been extended to FY2027. The Group remains committed to achieving this target based on the updated baseline and timeline.	In progress
Energy & Carbon footprint	Reduce energy intensity by 3% (using FY2024 as baseline) by FY2026.  Exploring further opportunities for renewable energy sources.	In progress
Diversity, inclusion & non-discrimination	To increase the gender diversity ratio for female employees within the Group to 30%.  The nature of the Group's business operations, which include moving heavy trading merchandise and handling manufacturing processes, results in a higher proportion of male employees.	In progress
Career development	Average of five to eight training hours per employee.	Target met
Data privacy	Maintain zero breaches of customer information.	Target met

# Performance Data Table For Bursa Malaysia ESG Report

Indicator	Measurement Unit	2024	2025
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Executive	Percentage	30.77	0.41
Non-executive/Technical Staff	Percentage	0.98	0.92
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer			
	MYR	350,000.00	1,150,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	323	320
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Executive Under 30	Percentage	12.39	14.28
Executive Between 30-50	Percentage	56.41	53.88
Executive Above 50	Percentage	31.20	31.84
Non-executive/Technical Staff Under 30	Percentage	43.68	42.04
Non-executive/Technical Staff Between 30-50	Percentage	45.54	47.79
Non-executive/Technical Staff Above 50	Percentage	10.78	10.17
Gender Group by Employee Category			
Executive Male	Percentage	61.54	62.04
Executive Female	Percentage	38.46	37.96
Non-executive/Technical Staff Male	Percentage	78.06	75.44
Non-executive/Technical Staff Female	Percentage	21.94	24.56
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	88.89	88.89
Female	Percentage	11.11	11.11
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	11.11	0.00
Above 50	Percentage	88.89	100.00
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	11,239.00	11,601.00
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	5.34	9.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	362	239

Internal assurance External assurance No assurance

(\*)Restated

# Performance Data Table For Bursa Malaysia ESG Report

(Cont'd)

Indicator	Measurement Unit	2024	2025
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Executive	Hours	2,920	2,867
Non-executive/Technical Staff	Hours	2,454	2,702
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.78	8.95
Bursa C6(c) Total number of employee turnover by employee category			
Executive	Number	28	38
Non-executive/Technical Staff	Number	168	342
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	74.76	64.55
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	105.850000	125.740000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	-	1,711.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	1,695.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	16.00
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	468.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	6,213.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	906.00

Internal assurance External assurance No assurance

(\*)Restated

# Group Sustainability Performance Data

Indicator	Unit	FY2023	FY2024	FY2025
<b>Economic</b>				
Economic Value Generated *	RM'000	116,036	143,538	191,196
Employees (Salary and other benefits)	RM'000	53,181	75,227	76,435
Government (Income tax)	RM'000	6,182	9,528	11,202
Providers of capital (Dividends and finance costs)	RM'000	22,899	42,420	51,881
Community (Donations)	RM'000	500	350	1,150
Total Economic Value Distributed	RM'000	82,762	127,525	140,668

\*Represents revenue and other income net off operating expenses

<b>Anti-Corruption</b>				
Confirmed incidents of corruption	No.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	No.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	No.	0	0	0
Public legal cases regarding corruption brought against Atlan or its employees	No.	0	0	0
Political contributions made	RM	0	0	0
Total cost of fines, penalties or settlements in relation to corruption (RM)	RM	NA	NA	0

<b>Anti-Corruption Training</b>				
Total number of employees that have received training on anti-corruption	No. (%)	0	82 (6.53%)	10 (0.82%)
Total number of executive employees that have received training on anti-corruption	No. (%)	0	72 (30.77%)	1 (0.41%)
Total number of non-executive employees that have received training on anti-corruption	No. (%)	0	10 (0.98%)	9 (0.92%)
Total number of governance body members that have received training on anti-corruption	No.	NA	9	0

<b>Anti-Corruption Risk</b>				
Percentage of operations assessed for corruption-related risks	%	100	100	100
Significant risks related to corruption identified through the risk assessment. (Please list)	No.	NA	NA	NA

# Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2023	FY2024	FY2025
<b>Environment</b>				
<b>Supply-Chain</b>				
Proportion of spending on local suppliers	%	58.74%	74.76%	64.55%
<b>Water</b>				
Total water consumption	m3	84,802	105,849	125,743
Water intensity	m3/ Revenue (RM'000)	0.222	0.233	0.276
<b>Energy</b>				
Direct energy *	GJ	6,962	7,381	6,764
Grid electricity *	GJ	30,964	30,427	28,123
Renewable energy	GJ	1,854	2,653	6,876
Grid electricity	kWh	8,601,000	8,452,000	7,812,000
Renewable energy	kWh	515,000	737,000	1,910,000
Total electricity	kWh	9,116,000	9,189,000	9,722,000
Total electricity	GJ	32,818	33,080	34,999
Total energy	GJ	39,780	40,461	41,763
Energy intensity	MJ/ Revenue (RM'000)	104	89	92
* Conversion coefficients for electricity and diesel to Joules are derived from the Malaysia National Energy Balance 2020 Report				
<b>GHG Emissions *</b>				
<b>Scope 1 emissions</b>				
CO <sub>2</sub>	tCO <sub>2</sub> e	488	517	466
CH <sub>4</sub>	tCO <sub>2</sub> e	0.31	0.33	0.35
N <sub>2</sub> O	tCO <sub>2</sub> e	1.72	1.85	1.75
Total scope 1 emissions	tCO <sub>2</sub> e	490	520	468
Scope 2 emissions	tCO <sub>2</sub> e	6,520	6,406	6,213
Total operating emissions	tCO <sub>2</sub> e	7,010	6,926	6,681
Emissions intensity	kgCO <sub>2</sub> e/ Revenue (RM'000)	18.39	15.27	14.28
<b>Scope 3: business travel (air) emissions</b>				
CO <sub>2</sub>	tCO <sub>2</sub> e	NA	NA	29.67
CH <sub>4</sub>	tCO <sub>2</sub> e	NA	NA	0.02
N <sub>2</sub> O	tCO <sub>2</sub> e	NA	NA	0.25
CO <sub>2</sub> e	tCO <sub>2</sub> e	7.72	75.39	29.94

# Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2023	FY2024	FY2025
<b>Environment (cont'd)</b>				
<b>GHG Emissions * (cont'd)</b>				
Scope 3: employee commuting emissions				
CO <sub>2</sub>	tCO <sub>2</sub> e	NA	NA	869
CH <sub>4</sub>	tCO <sub>2</sub> e	NA	NA	4
N <sub>2</sub> O	tCO <sub>2</sub> e	NA	NA	3
CO <sub>2</sub> e	tCO <sub>2</sub> e	NA	1,881	876
* Atlan derived its Scope 1 emissions using IPCC 2006 Guidelines for National Greenhouse Gas Inventories and its Scope 2 emissions from the Energy Commission Grid Emission Factor for Peninsular 2022. Scope 3: Employee commuting and business travel were estimated using the Emission Factors From the UK Government GHG Conversion Factors for Company Reporting.				
<b>Waste</b>				
<b>Total solid waste disposed/ generated</b>	tonnes	1,733	1,631	1,701
Metal waste (recycled)	tonnes	1,668	1,584	1,369
Carton box (recycled)	tonnes	65	47	256
Other solid waste (recycled)	tonnes	-	-	70
Other solid waste (non recycled)	tonnes	-	-	6
Total solid waste recycled (diverted from landfill)	tonnes	1,733	1,631	1,695
<b>Scheduled waste</b>				
Paint sludge	tonnes	27	12	10
Total scheduled waste	tonnes	27	12	10
<b>Total waste disposal</b>	tonnes	1,760	1,643	1,711
<b>Materials</b>				
Total weight of materials that are used to produce and package products and services	tonnes	NA	47	30
<b>Social</b>				
<b>Diversity</b>				
<b>Total Headcount</b>	No.	1,239	1,255	1,218
<b>By Gender</b>				
Male	No. (%)	923 (74.5%)	941 (75.0%)	886 (72.7%)
Female	No. (%)	316 (25.5%)	314 (25.0%)	332 (27.3%)

# Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2023	FY2024	FY2025
<b>Social (cont'd)</b>				
<b>Diversity (cont'd)</b>				
<b>By Age Group</b>				
<30	No. (%)	525 (42.4%)	475 (37.8%)	444 (36.5%)
30-50	No. (%)	550 (44.4%)	597 (47.6%)	597 (49.0%)
>50	No. (%)	164 (13.2%)	183 (14.6%)	177 (14.5%)
<b>By Employment Contract</b>				
Permanent	No. (%)	1,197 (96.6%)	1,195 (95.2%)	1,109 (91.1%)
Contract	No. (%)	42 (3.4%)	60 (4.8%)	109 (8.9%)
<b>By Employment Category</b>				
Executives	No. (%)	192 (15.5%)	234 (18.6%)	245 (20.1%)
Non-executives	No. (%)	1,047 (84.5%)	1,021 (81.4%)	973 (79.9%)
<b>By Ethnicity</b>				
Malay	No. (%)	425 (34.3%)	474 (37.8%)	410 (33.7%)
Chinese	No. (%)	90 (7.3%)	92 (7.3%)	81 (6.7%)
Indian	No. (%)	164 (13.2%)	155 (12.4%)	147 (12.1%)
Others	No. (%)	560 (45.2%)	534 (42.5%)	580 (47.6%)
<b>By Disabilities</b>				
Disabled employees	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
<b>By Gender and Age Group for Each Employment Contract</b>				
<b>Permanent</b>				
Female	No. (%)	324 (27.1%)	876 (73.3%)	819 (73.9%)
Male	No. (%)	873 (72.9%)	319 (26.7%)	296 (26.7%)
<30	No. (%)	532 (44.4%)	455 (38.1%)	399 (36.0%)
30-50	No. (%)	528 (44.1%)	587 (49.1%)	579 (52.2%)
>50	No. (%)	137 (11.4%)	153 (12.8%)	137 (12.4%)
<b>Contract</b>				
Female	No. (%)	10 (23.8%)	39 (65.0%)	53 (48.6%)
Male	No. (%)	32 (76.2%)	21 (35.0%)	56 (51.4%)
<30	No. (%)	2 (4.8%)	20 (33.3%)	46 (42.2%)
30-50	No. (%)	9 (21.4%)	3 (5.0%)	19 (17.4%)
>50	No. (%)	31 (73.8%)	37 (61.7%)	44 (40.4%)

# Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2023	FY2024	FY2025
<b>Social (cont'd)</b>				
<b>Diversity (cont'd)</b>				
<b>By Gender and Age Group for Each Employment Category</b>				
<b>Non-Executive</b>				
Female	No. (%)	236 (22.5%)	224 (21.9%)	239 (24.6%)
Male	No. (%)	811 (77.5%)	797 (78.1%)	734 (75.4%)
<30	No. (%)	494 (47.2%)	446 (43.7%)	409 (42.0%)
30-50	No. (%)	445 (42.5%)	465 (45.5%)	465 (47.8%)
>50	No. (%)	108 (10.3%)	110 (10.8%)	99 (10.2%)
<b>Executive</b>				
Female	No. (%)	80 (41.7%)	90 (38.5%)	93 (38.0%)
Male	No. (%)	112 (58.3%)	144 (61.5%)	152 (62.0%)
<30	No. (%)	31 (16.1%)	29 (12.4%)	35 (14.3%)
30-50	No. (%)	105 (54.7%)	132 (56.4%)	132 (53.9%)
>50	No. (%)	56 (29.2%)	73 (31.2%)	78 (31.8%)
<b>Female Representation in the Management</b>				
Women in Middle Management	%	27.9%	31.9%	33.3%
Women in Senior Management	%	31.8%	28.0%	30.8%
<b>Director Diversity</b>				
<b>Total number of directors</b>	No.	9	9	9
<b>By Gender</b>				
Male	No. (%)	8 (88.9%)	8 (88.9%)	8 (88.9%)
Female	No. (%)	1 (11.1%)	1 (11.1%)	1 (11.1%)
<b>By Age</b>				
<30	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
30-50	No. (%)	1 (11.1%)	1 (11.1%)	0 (0.0%)
>50	No. (%)	8 (88.9%)	8 (88.9%)	9 (100.0%)
<b>By Independence</b>				
Independent	No. (%)	5 (55.6%)	5 (55.6%)	5 (55.6%)
Non-Independent	No. (%)	4 (44.4%)	4 (44.4%)	4 (44.4%)

# Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2023	FY2024	FY2025
<b>Social (cont'd)</b>				
<b>Turnover</b>				
Total turnover	No. (rate *)	306 (26.7%)	196 (15.7%)	380 (30.7%)
<b>Turnover by Gender</b>				
Male	No. (rate *)	221 (26.6%)	136 (14.6%)	250 (27.4%)
Female	No. (rate *)	85 (27.0%)	60 (19.0%)	130 (40.2%)
<b>Turnover by Age Group</b>				
<30	No. (rate *)	163 (37.3%)	121 (24.2%)	195 (42.4%)
30-50	No. (rate *)	111 (20.6%)	54 (9.4%)	128 (21.4%)
>50	No. (rate *)	32 (18.8%)	21 (12.1%)	57 (31.7%)
<b>Turnover by Employment Contract</b>				
Permanent	No. (rate *)	279 (25.3%)	183 (15.3%)	336 (29.2%)
Contract/Temporary	No. (rate *)	27 (61.4%)	13 (25.5%)	44 (52.1%)
<b>Turnover by Employment Category</b>				
Executive	No. (rate *)	55 (26.1%)	28 (13.1%)	38 (15.9%)
Non-executive	No. (rate *)	251 (26.8%)	168 (16.2%)	342 (34.3%)
<i>* Turnover rate is calculated by dividing the number of employees leaving by the average number of employees for each category.</i>				
<b>New hires</b>				
Total new hires	No.	492	196	191
<b>By gender</b>				
Male	No.	396	141	104
Female	No.	96	55	87
<b>By age</b>				
<30	No.	342	148	137
30-50	No.	135	42	40
>50	No.	15	6	14
<b>Corporate Social Responsibility</b>				
Total contribution to non-profit organisations	RM	500,000	350,000	1,150,000
Total number of beneficiaries of the investment in communities	No.	374	323	320

# Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2023	FY2024	FY2025
<b>Social (cont'd)</b>				
<b>Training</b>				
Total training hours	Hours	6,252	5,374	5,569
Total investment in training	RM	156,159	52,308	58,844
<b>Training Hours by Employment Category</b>				
Executive	Hours	4,388	2,920	2,867
Non-executive	Hours	1,864	2,454	2,702
<b>Training Hours by Gender</b>				
Male	Hours	2,973	2,874	3,215
Female	Hours	3,279	2,501	2,354
<b>Training Hours by Contract</b>				
Permanent	Hours	6,244	5,210	4,365
Contract	Hours	8	164	1,204
Average training hours per employee	Hours	5	4	5
Number of training days	Days	508	672	358
<b>Health and Safety</b>				
Number of work-related fatalities	No.	0	0	0
High-consequence injuries	No.	NA	0	0
Recordable injuries	No.	10	6	12
Recordable work-related ill health cases	No.	1	0	0
Lost Time Incident Rate	Rate *	22.09	5.34	9.60
Number of employees trained on health and safety standards	No.	34	362	239
* Number of lost time injuries in the reporting period / total number of hours worked in the reporting period *200,000				
<b>Human rights</b>				
Number of substantiated complaints concerning human rights violations	No.	NA	0	0

# Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2023	FY2024	FY2025
<b>Social (cont'd)</b>				
<b>Data Privacy and Security</b>				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	NA	0	0
<b>Customer Health &amp; Safety / Product Responsibility</b>				
Total number of significant product and service categories for which health and safety impacts are assessed for improvement	No.	NA	0	0
Total number of significant product and service categories	No.	NA	4	4
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	NA	0	0
Total number of incidents of non-compliance with regulations or voluntary codes concerning the health & safety impacts of products and services within the reporting period	No.	NA	0	0
Number of recalls issued and total units recalled for health and safety reasons	No.	NA	0	0

*Note: Percentages might not total 100% due to rounding*  
*NA: Data not available*

# Corporate Governance Overview Statement

The Board of Directors (“Board”) of Atlan Holdings Bhd. (“Atlan” or “the Company”) is pleased to present this Corporate Governance Overview Statement (the “Statement”) to provide an overview of the Corporate Governance practices adopted by the Company in achieving the intended outcomes as set out in the latest Malaysian Code on Corporate Governance (“MCCG”) with reference to the following three (3) key principles, under the stewardship of the Board:

- (a) Principle A : Board Leadership and Effectiveness;
- (b) Principle B : Effective Audit and Risk Management; and
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement outlines the corporate governance practices adopted by the Board of the Company during the financial year ended 28 February 2025 (“FY2025”), where possible, and applicable laws to be a dynamic framework within which the Group would conduct its businesses.

This Statement also serves as a compliance with Paragraph 15.25(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read together with the Corporate Governance Report of the Company for the FY2025 published on the Company’s website at <https://www.atlan.com.my> and Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART 1 - BOARD RESPONSIBILITIES

#### Intended Outcome 1.0

- Every company is headed by a Board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

#### 1.1 Strategic aims, values and standards

The Board is responsible for the leadership, oversight and overall management of the Company. An effective Board is one made up of a combination of the Executive Chairman and Executive Director with intimate knowledge of the business and Non-Executive Directors from diversified industry/ business backgrounds to bring wide-ranging business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, reviewing the Group’s performance and critical business issues and ultimately the enhancement of long-term shareholders’ value. It monitors and delegates the implementation of the strategic direction to the management.

The Directors collectively, with their different backgrounds and specialisations, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal, regulatory and operations which is relevant to the Group. A brief profile of each individual Director is set out in this Annual Report.

# Corporate Governance Overview Statement

(Cont'd)

At each Audit and Risk Management Committee (“ARMC”) meeting and Board meeting, and as and when the need arises, the respective personnel from the Management would brief the Directors on current operations, issues faced and plans of the Group in order for the Board to be kept abreast of the conduct, business activities and development of the Group, and to discuss and advise the Management in its formulation of the Group’s business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Group’s values and standards.

The Board’s role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board meetings when reviewing the quarterly results. During such meetings, the Board participates actively in the discussion on the performance of the Company and the Group, and also assesses the performance of the Management.

The Board has a formal schedule of matters reserved for its decision which includes, among others, the following: -

- i) Reviewing and adopting strategic plans for the Company and the Group to enhance future growth;
- ii) Reviewing and evaluating key policies adopted by the Company and the Group;
- iii) Overseeing the conduct of the Group’s businesses to evaluate whether the businesses are being properly managed;
- iv) Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- v) Reviewing the adequacy and integrity of the Group’s internal control systems and management information systems;
- vi) Establishing Board committees and be responsible for all decisions made by the committees;
- vii) Reviewing and approving unaudited quarterly results and audited financial statements;
- viii) Ensuring all candidates appointed to senior management positions are of sufficient caliber and satisfied that there are programmes in place to provide for the orderly succession of senior management; and
- ix) Overseeing the development and implementation of shareholder communications policy for the Company.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following respective Board Committees: -

- Nomination Committee;
- Remuneration Committee; and
- ARMC.

The Board Committees assist the Board in overseeing the Company and Group’s affairs and deliberate on issues within the respective functions and respective terms of reference. These terms of reference clearly outline the objectives, duties and powers of each Board Committee. The Chairman of each Board Committee will report to the Board key issues deliberated at the respective Committee’s meetings.

# Corporate Governance Overview Statement

(Cont'd)

## 1.2 The Chairman of the Board

The Board is helmed by the Executive Chairman, Dato' Sri Adam Sani Bin Abdullah who demonstrates strong leadership and oversees the effectiveness of the Board. Dato' Sri Adam Sani Bin Abdullah works closely with the rest of the Board members to form policies and strategies to align business activities driven by the Management team.

The responsibilities of the Chairman are clearly defined in the Board Charter, which include, but not limited to, the following: -

- To provide leadership to the Board, and oversee the effective discharge of its fiduciary duties;
- To set the agenda for Board Meetings and ensure efficient and effective conduct of the Board Meetings;
- To ensure that complete and accurate information to facilitate decision-making is provided to the Board members in a timely manner;
- To lead Board Meetings and encourage active participation and allow dissenting views to be freely expressed;
- To promote constructive and respectful relations among Board members and manage the interaction between the Board and Management;
- To ensure that appropriate steps are taken to facilitate effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- To lead the Board in establishing and monitoring good corporate governance in the Company.

## 1.3 Separation of the positions of Chairman and Chief Executive Officer ("CEO")

The Executive Chairman of the Board and the Executive Director are held by two (2) different individuals with clearly defined divisions of power and responsibilities as outlined in the Board Charter. The position of Executive Director is held by Mr. Lee Sze Siang. This is to ensure a balance of power and authority, such that no one (1) individual has unfettered powers of decision-making.

The Executive Chairman is responsible for leading the Board in its collective oversight of Management and ensuring the effectiveness of Board matters, while the Executive Director is responsible for implementing the policies and strategies approved by the Board for the purposes of running the business and managing the Company's day-to-day operations. These divisions of responsibilities are set out in the Company's Board Charter.

## 1.4 Chairman and Board Committees

The Chairman of the Board, Dato' Sri Adam Sani Bin Abdullah is not a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee.

## 1.5 The Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries.

The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties associated with their positions.

# Corporate Governance Overview Statement

(Cont'd)

In performing their duties, the Company Secretaries carry out, among others, the following tasks:-

- Statutory duties as required under the Companies Act 2016, Listing Requirements of Bursa Securities and Capital Market and Services Act 2007;
- Facilitating and attending Board Meetings and Board Committee Meetings;
- Facilitating and attending General Meeting(s);
- Ensuring that Board Meetings and Board Committee Meetings are properly convened, and the proceedings are properly recorded;
- Ensuring timely communication of the Board level decisions to the Management for further action;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislation;
- Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;
- Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;
- Assisting the Company with the lodgements of documents with relevant statutory and regulatory bodies;
- Assisting the Board with the preparation of announcements for release to Bursa Securities; and
- Rendering advice and support to the Board and Management.

The Company Secretaries keep the Board abreast of the latest regulatory updates and also ensure that deliberations at Board and Board Committee meetings are well documented.

During FY2025, the Company Secretaries discharged their duties and responsibilities accordingly, and they had and will continue to constantly keep themselves abreast of matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions and duties.

## 1.6 Meeting materials

The Board meets at least once every quarter, to consider all matters relating to the overall control, business performance and strategy of the Company and the Group. Additional meetings will be called when necessary.

All Board and Board Committee meetings and the Annual General Meeting ("AGM") for each financial year are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings.

# Corporate Governance Overview Statement

(Cont'd)

Prior to the scheduled meetings, Directors will be provided with a structured agenda together with management reports and proposal papers in a timely manner. All Directors have full and timely access to information through the Board papers distributed in a timely manner prior to the Board meetings. The Board papers provide, among others, periodic financial information, annual budget, operational and corporate issues, investment proposals and Management proposals that require the Board's approval.

Management staff may be invited to attend Board meetings to provide the Board with detailed explanations and clarifications on certain matters that are tabled to the Board. All Directors have unrestricted access to information within the Group. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Group's operations or business concerns. In this way, the Board has full access to all information on the Company and the Group's affairs to enable the proper discharge of duties.

All deliberations and decisions made at the Board meetings are recorded by the Company Secretaries including whether any Directors abstained from voting or deliberating on a particular matter. Minutes of the meeting are circulated to the Board and the Management for review and comments in a timely manner before the minutes of the last Board meeting are confirmed at the next Board meeting.

All minutes of the Board or Board Committee meetings are approved by the respective Board and Board Committees and the Chairman of the respective Board or Board Committees signs the Minutes as an accurate record. These documents are kept in the Minutes Books at the registered office of the Company to be made available for inspection.

Directors are expected to give sufficient time and attention to carry out their responsibilities. For FY2025, the Board held 5 meetings and the attendance record of the Directors was satisfactory. This is evidenced by the attendance record of the Directors at the Board meetings as set out below: -

Directors	Attendance during tenure in office
1. Dato' Sri Adam Sani Bin Abdullah	5/5
2. Dato' Sri Robin Tan Yeong Ching	4/5
3. Dato' Woo Hon Kong	5/5
4. Lee Sze Siang	5/5
5. Tan Thiam Chai	5/5
6. Tuan Haji Mohd Jaffar Bin Awang (Ismail)	5/5
7. Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah	5/5
8. Dato' Dr. Abdul Razak Bin Abdul	5/5
9. Datuk Zawati Binti Abd Rahman	5/5

For FY2025, all the Directors have complied with the minimum 50% attendance requirement in respect of the Board Meeting as stipulated in the Listing Requirements of Bursa Securities. In the intervals between Board Meetings, for any matters requiring the Board's decisions, the Board's approvals are obtained by way of resolution in writing. The resolutions passed by way of such resolutions are then noted at the next Board Meeting.

# Corporate Governance Overview Statement

(Cont'd)

## Intended Outcome 2.0

- There is demarcation of responsibilities between the board, board committees and management.
- There is clarity in the authority of the board, its committees and individual directors.

### 2.1 Board Charter

The Board understands the importance of the roles and responsibilities between the Board and Management. The Board has a Board Charter, which includes a formal schedule of matters reserved for the Board. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.

The Board Charter of the Company encompasses the governance and structure of the Board, authority, major responsibilities and terms of reference of the Board and Board Committees, matters reserved for the Board, and guidance on the Board's conduct.

The Board reviews the Board Charter periodically, to ensure it remains relevant and effective at the prevailing time and business environment. The Board Charter was last reviewed and approved by the Board on 27 April 2023.

The Board Charter is available on the Company's website at <https://www.atlan.com.my>.

## Intended Outcome 3.0

- The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.
- The Board, management, employees and other stakeholders are clear on what is considered acceptable behavior and practice in the company.

### 3.1 Code of Conduct and Ethics

The Board has established and implemented policies to guide Directors, employees and stakeholders that engender integrity, transparency and fairness. This is to actively nurture a strong corporate culture throughout the Group which promotes commitment to performance with integrity.

Employees are introduced to the ethical corporate culture of the Group during employee induction and thereafter, employees are constantly monitored to ensure the culture is upheld in their dealings within the Group and also in their association with customers, distribution, suppliers, governmental and regulatory authorities and other business associates. Any employee may report directly to the Executive Chairman any ethical misconduct discovered within the Group.

# Corporate Governance Overview Statement

(Cont'd)

The members of the Board conduct themselves in an ethical manner while executing their duties and functions and comply with the Company's Code of Conduct and Ethics.

In addition to the Company's Code of Conduct and Ethics, the Group also gives emphasis on the behavioral ethics and conduct that sets out the sound principles and standards of good practice within the Group's business landscape, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with various stakeholders such as shareholders, customers, fellow employees and regulators.

The Company's Code of Conduct and Ethics is available on the Company's website at <https://www.atlan.com.my>.

## 3.2 Whistleblowing Policy and Anti-Bribery and Corruption Policy & Guidelines

The Group has adopted a whistleblowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they may become aware. If such an event occurs, the policy ensures that: -

- (i) Independent investigations are carried out in an appropriate and timely manner;
- (ii) Appropriate action is taken to correct any weaknesses in internal controls and policies which enabled the perpetration of fraud and/or misconduct so as to prevent future recurrences; and
- (iii) Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistleblowing in good faith and without malice.

In line with the Listing Requirements of Bursa Securities in relation to anti-corruption measures, an Anti-Bribery and Corruption Policy & Guidelines has been adopted by the Group which sets out the parameters and guidelines to prevent the occurrence of bribery and corrupt practices and to maintain integrity and work ethics in the conduct of the Group's business and operations. The Anti-Bribery and Corruption Policy & Guidelines provides guidance to all employees and associates of the Group relating to acts of bribery and corruption.

The Whistleblowing Policy and Procedures was last reviewed and approved by the Board on 9 October 2024.

The whistleblowing policy and Anti-Bribery and Corruption Policy & Guidelines are published on the Company's website at <https://www.atlan.com.my>.

# Corporate Governance Overview Statement

(Cont'd)

## Intended Outcome 4.0

- The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

### 4.1 Governance of Sustainability

The Board considers sustainability a part of its strategic formulation and in determining material Economic, Environmental, Social and Governance (“EESG”) factors of the Group. The Board is responsible for overseeing the development and adoption of a sustainability framework. These sustainability efforts are steered and implemented by the Executive Director and the Sustainability Working Group. The Sustainability Working Group manages the day-to-day sustainability projects and initiatives, and also ensures that the Key Business Functions are able to complete their plans, meet their timelines and provide accurate information for sustainability disclosure.

### 4.2 Communication of Company’s Sustainability Strategies, Priorities, Targets and Performance

In determining the Company’s long-term strategy and success, the Board ensures that the sustainability strategies, priorities and targets are communicated well to the internal and external stakeholders. In order to communicate these updates to the stakeholders, a comprehensive description of the Company’s sustainability path has been outlined in the annual Sustainability Statement which is part of the Company’s Annual Report. This information is accessible both in hard copy and on the Company’s website. The Sustainability Statement is on pages 32 to 83 of the Annual Report 2025.

### 4.3 Board keeps abreast of the relevant Sustainability Issues

The Board will take part in initiatives to stay abreast of sustainability issues relevant to the Group and the industry. The Board will also take the necessary steps to undertake professional training, development programmes, and activities related to sustainability and governance issues which will include climate-related risks and opportunities.

### 4.4 Performance Evaluation of Board and Senior Management

The Board recognises the importance of sustainability in all its business operations and has included the review of efforts to address material sustainability risks and opportunities as a vital criterion in the performance evaluation of its board members in FY2025. The criteria set were broadly based on the assessment framework by the MCCG and the Listing Requirements of Bursa Securities.

### 4.5 Sustainability Strategy (Step Up)

The Executive Director is the designated person to ensure that the sustainability framework is adhered to within the Group and continuously engages with relevant internal and external stakeholders such as employees, customers, suppliers, regulators, investors, industry associations and the community to ensure the Group’s sustainability focus areas remain relevant and also to identify new ones that could add value to the businesses and stakeholders.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### PART 2 - BOARD COMPOSITION

#### Intended Outcome 5.0

- Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

#### 5.1 Board Appointment

#### 5.2 Board Composition

The Board currently comprises five (5) Independent Non-Executive Directors including a Senior Independent Director, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors. Accordingly, the following prescribed requirements have been fully complied by the Board: -

- Paragraph 3.04(1) of the Listing Requirements of Bursa Securities which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is the higher, are independent directors; and
- Practice 5.2 of the MCGG, where at least half of the board comprises Independent Directors.

The Independent Non-Executive Directors of the Company are independent of management and free from any business relationship which could materially interfere with the exercise of their judgment. They provide guidance, unbiased, fully balanced and independent views, advice and judgment on various aspects of the Group's strategy to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity were maintained by the Group.

The Board places great importance on its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive Directors are professionals of high caliber and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conducts.

Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision. All Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group.

The Board is satisfied that the Independent Directors represent the interest of public shareholders in the Company and the Board has appointed Tuan Haji Mohd Jaffar Bin Awang (Ismail) as the Senior Independent Non-Executive Director, who acts as:

- A sounding board for the Chairman;
- An intermediary for other Directors when necessary; and
- The point of contact for shareholders and other stakeholders in cases of query or concern raised.

# Corporate Governance Overview Statement

(Cont'd)

## 5.3 Tenure of independent director

### 5.4 Policy on Tenure of independent director

The Board is mindful that the recommendation of Practice 5.3 of the MCCG which require the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice.

The Board through the Nomination Committee assesses the Independent Directors on an annual basis, with a view of ensuring the Independent Directors bring independent and objective judgment to the Board and this mitigates arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest, the Board would take appropriate action to rectify the situation. Should any Director have an interest in any matter under deliberation, he/ she is required to disclose his/her interest and abstain from participating discussions on the matter.

In ascertaining the independence status of the Directors, the Board believes that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of Directors are the primary concern of all Directors, regardless of their status. The Board firmly believes that the ability of a Director to serve effectively is dependent on his/her calibre, qualification, experience and personal qualities, particularly his/her integrity and objectivity. It also believes there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the Company's business and affair in view of the continuous challenges faced by the Company.

Dato' Woo Hon Kong ("Dato' Woo") was appointed to the Board as an Independent Non-Executive Director on 16 May 2014 and his tenure in office has been more than nine (9) years and twelfth (12) year tenure will be due on 15 May 2026.

Both the Nomination Committee and the Board on 24 April 2025 assessed the independence of Dato' Woo, were satisfied with his skills, contribution and independent judgements. Besides, Dato' Woo remained objective and independent in expressing his views and in participating in deliberation and decision making of the Board and Board Committees. His length of service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company. In addition, Dato' Woo has confirmed and declared in writing that he is Independent Director and has satisfied all the criteria of an Independent Director as set out in Paragraph 1.01 of the Listing Requirements of Bursa Securities.

The Nomination Committee and Board reviewed and assessed the application of two-tier voting as recommended by MCCG. However, it is noted that the Company will seek shareholders' approval for retaining Dato' Woo who has served more than nine (9) years as Independent Director through the usual voting practice at this forthcoming 36<sup>th</sup> AGM. This is in accordance with the general rule of voting as provided by the Companies Act 2016 which states that every shareholder has one (1) vote for every share he holds and resolutions are to be passed by a simple majority for Ordinary Resolutions and 75% of votes for Special Resolutions.

In this respect, the Company will be seeking shareholders' approval at this forthcoming 36<sup>th</sup> AGM to retain Dato' Woo as Independent Director of the Company up to 15 May 2026 via the single tier voting process.

# Corporate Governance Overview Statement

(Cont'd)

## 5.5 Appointment of Board and Senior Management

The Board endeavours to ensure that it consists of individuals with a diverse background equipped with professional and technical knowledge to effectively carry out its roles as the representative to the interests of shareholders.

The Nomination Committee is mindful of its responsibilities to conduct all Board appointment processes through various approaches in a manner that promotes diversity in the Board which can offer greater depth, breadth and lead to better decisions made while taking into account suitability for the role. It will also take into consideration Board balance and composition, the required mix of skills, the candidates' background, knowledge, integrity, competency, experience and potential contribution to the Group. In the case of candidates for the position of Independent Director, the Nomination Committee will also evaluate each candidate's ability to discharge responsibilities and functions as expected from an Independent Director.

A Directors' Fit and Proper Policy has been established to guide the Nomination Committee in the review and assessment of candidates who are to be appointed to the Board as well as Directors who are seeking re-election or re-appointment.

The Board, through the Nomination Committee, considers annually the time commitment expected from each Director to meet the expectations of their role. The Board is also expected to attend the AGM, engage with stakeholders and participate in the Board evaluation process.

Currently, several Directors hold more than two external appointments. The Board has considered these external commitments, taking into account the time commitment required for each role, and is satisfied they do not impact upon the individual Board members' ability to discharge their responsibilities fully and effectively. As evidenced in this statement, in FY2025, the majority of the Directors have attended all the Board and Board Committees meetings of the Company.

## 5.6 Identify Candidates for Board Appointment

The Board is responsible for the appointment of new Directors. The Nomination Committee is delegated with the role of screening and conducting initial selections, which may include external searches, before making a recommendation to the Board.

The Nomination Committee is also empowered to bring to the Board recommendations as to the appointment of any new director or to fill board vacancy as and when it arises. In making its recommendation, the Nomination Committee will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board. The Nomination Committee has the authority to obtain the services of professional recruitment firms to source candidates for directorship or seek independent professional advice whenever necessary.

# Corporate Governance Overview Statement

(Cont'd)

The duties and functions of the Nomination Committee are as follows: -

When reviewing the recommended candidates to the Board, the Committee considers the candidate's: -

- i) Skills, knowledge, expertise and experience;
  - ii) Competencies, time commitment, contribution and performance;
  - iii) Professionalism;
  - iv) Integrity;
  - v) Boardroom diversity including gender, skills, experience, age, cultural background, and other factors that will best qualify a nominee to serve on the Board;
  - vi) Criteria set out in the Directors' Fit and Proper Policy;
  - vii) Any business interest or relationship that may result in a conflict of interest that could affect the execution of the role; and
  - viii) In the case of the candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors;
- To consider, in making recommendations, candidates for directorships proposed within the bounds of practicability, by any senior executive or any director or shareholder;
  - To ensure the board composition meets the needs of the Company;
  - To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors;
  - To recommend to the Board, directors to fill the seats on board committees;
  - To review its required mix of skills and experience and other qualities, including core competencies which Directors of the Company should bring to the Board;
  - To annually assess the effectiveness of the Board as a whole and assess the contribution of each individual director, including Independent Non-Executive Directors, as well as the chief executive officer and key officers;
  - To review the justifications and recommend to the Board to seek shareholders' approval where an independent director is retained as an independent director after his tenure has exceeded a cumulative term of nine (9) years up to the term of twelve (12) years;
  - To review the re-appointment and re-election of Directors of the Company. The review shall take into consideration the criteria set out in the Directors' Fit and Proper Policy and shall be contingent upon the satisfactory evaluation of their performance and contribution to the Board;
  - To facilitate board induction and training programmes;
  - To review the term of office and performance of ARMC and each of its members annually;
  - To give consideration to succession planning for Directors and other Senior Management, taking into account the challenges and opportunities facing the Group and the skills, expertise and gender diversity needed on the Board and the Senior Management in the future.

## 5.7 Re-election of Directors at the general meeting

The performance of retiring Directors recommended for re-election at the 35<sup>th</sup> AGM had been assessed through the Board's annual evaluation (including the independence of Independent Non-Executive Directors). A statement by the Board and the Nomination Committee being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the 35<sup>th</sup> AGM has been stated in the explanatory notes of the Notice of 35<sup>th</sup> AGM.

# Corporate Governance Overview Statement

(Cont'd)

The retiring Directors at the 35<sup>th</sup> AGM pursuant to Regulation 100 of the Constitution were Raja Dato' Sri Shaharudin Shah bin Raja Jalil Shah, Dato' Dr Abdul Razak bin Abdul and Datuk Zawati binti Abd Rahman ("Retiring Directors"). All of them have consented to continue in office and accordingly offered themselves for re-election at the 35<sup>th</sup> AGM.

After assessing the contributions of the Retiring Directors in terms of guidance and time devoted to the Board affairs and in virtue of their skills and experience respectively, the Nomination Committee had recommended the re-election of Retiring Directors at the 35<sup>th</sup> AGM.

The Board, being satisfied with the justification and criteria based on the recommendation of the Nomination Committee, had sought the shareholders' approval at the 35<sup>th</sup> AGM of the Company.

## 5.8 Nomination Committee

The Nomination Committee is governed by its terms of reference which is available on the Company's website at <https://www.atlan.com.my>.

The Nomination Committee of the Company comprises exclusively of Independent and Non-Executive Directors. The Nomination Committee is chaired by the Senior Independent Director. Its composition is as follows: -

Position	Name	Directorship
Chairman	Tuan Haji Mohd Jaffar Bin Awang (Ismail)	Senior Independent Non-Executive Director
Member	Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah	Independent Non-Executive Director
Member	Dato' Dr Abdul Razak Bin Abdul	Independent Non-Executive Director

Tuan Haji Mohd Jaffar Bin Awang (Ismail) was appointed by the Board as the Senior Independent Director based on his experience with the Board and strong comprehension of the Company's governance issues. His collective tenure in the Company accords familiarity with the workings of the Board and its individual members. He is respected by the other Board members as he has consistently been conscientious in preserving the interest of the Company first and foremost throughout his tenure as a director.

In line with the amendment of Listing Requirements of Bursa Securities and the establishment of the Directors' Fit and Proper Policy, the terms of reference of the Nomination Committee have been revised and updated on 27 April 2023.

# Corporate Governance Overview Statement

(Cont'd)

The Nomination Committee undertook the following activities during the FY2025: -

- (i) Facilitated self and peers' assessments on ARMC members;
- (ii) Reviewed the effectiveness of the ARMC as a whole;
- (iii) Reviewed the effectiveness of individual directors and the Board as a whole;
- (iv) Conducted annual review of the composition of the Board and all Board Committees having regard to the mix of skills, character, experience, integrity, competence and time commitment rendered;
- (v) Reviewed the independence of Independent Directors;
- (vi) Reviewed the required mix of skills, experience and other qualities of the Board;
- (vii) Reviewed and recommended to the Board, the re-election of the Directors who were subject to retirement at the 35<sup>th</sup> AGM held on 31 July 2024; and
- (viii) Reviewed and recommended to the Board, to retain the Independent Director, Dato' Woo Hon Kong, who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years for shareholders' approval at the 35<sup>th</sup> AGM.

The Directors are mindful that they should receive appropriate continuous training to further enhance their skills and knowledge. Accordingly, the Company organises trainings on a regular basis for the Board to ensure they are kept up to date on relevant developments.

Some of the seminars and briefings attended by the Directors during FY2025 to broaden their perspectives and to keep abreast with the changes in the guidelines issued by the relevant authorities as well as the latest developments in the market place were as follows: -

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP);
- EY C-Suite Forum 2024;
- E-Invoicing Tax Workshop by IRB; and
- Talk on "Harnessing Applied AI for Digital Transformation and Enable Berjaya as an AI Application Powered Company"

The Company Secretaries circulate relevant guidelines on statutory and regulatory requirements from time to time to the Board for reference. During FY2025, the Directors were updated on the amendments to the Listing Requirements of Bursa Securities, Companies Act 2016 and Securities Commission Malaysia, briefings by the external auditors, communications with other Directors, as well as information updates by the Management on the relevant industries throughout the financial year.

The external auditors also briefed the Board members on the changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during FY2025.

Upon review, the Board concluded that the Directors' training for FY2025 was adequate.

# Corporate Governance Overview Statement

(Cont'd)

## 5.9 Diversity of Board and Senior Management

The Company does not practice any form of gender, ethnicity and age group bias as all candidates for either the Board or Senior Management team shall be given fair and equal treatment.

Notwithstanding the Board not having any formalised board diversity policy or gender diversity policy, the Board practices non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of the Board and Senior Management positions of the Company.

The Board believes that it is not detrimental to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.

Nonetheless, the Group is an equal opportunity employer and all appointments to the Board and employment of senior management are based on objective criteria, merit, skills and experience, and are not driven by any age, cultural background or gender considerations.

The Board is satisfied with the composition of its members and is of the view that with the current mix of competency, experience, skill and knowledge, the Board is able to discharge its duties effectively and efficiently.

At present, the members of the Senior Management team are equipped with diverse skills, expertise and industry experience to lead the business direction of the Group.

The Board is committed to provide fair and equal opportunities within the Group and acknowledges the importance of boardroom and workplace diversity. The Group is committed to workplace diversity and that the workplace is fair, accessible, inclusive and free from discrimination.

## 5.10 Gender diversity

As mentioned above, the Board did not set specific targets on gender diversity for the Company but endeavours to improve the number of women directors on the Board, based on pre-determined skill sets and competencies. Datuk Zawati Binti Abd Rahman was appointed as an Independent and Non-Executive Director of the Company on 19 April 2022. The Board now complies with Paragraph 15.02 (1)(b) of the Listing Requirements of Bursa Securities.

Nevertheless, the consideration of women's representation on the Board and in senior management positions will be prioritized, and efforts will be made to identify suitable candidates. This commitment is rooted in the primary objective of selecting the most qualified candidate who can effectively contribute to the Company's strategic objectives.

# Corporate Governance Overview Statement

(Cont'd)

## Intended Outcome 6.0

- Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

### 6.1 Annual assessment of the Directors, Board as a whole and Board Committees

The Nomination Committee is required to assess the Board's effectiveness in terms of its composition, the roles and responsibilities, and whether the Board Committees have discharged their functions and duties in accordance with the terms of reference. The Nomination Committee assesses on an annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. All assessments and evaluations carried out by the Nomination Committee in discharging its functions have been well documented.

During FY2025, the Board, through the Nomination Committee, conducted the following annual assessment of the Directors and the effectiveness of the Board as a whole: -

- i. Evaluation of the effectiveness of the Board as a whole and Board Committees;
- ii. Assessment of Independent Directors;
- iii. Review of the term of office and performance of the ARMC and each of its members; and
- iv. Re-election of the retiring Directors.

Based on the aforesaid evaluations conducted in the FY2025, the Nomination Committee was satisfied with the performance of the Independent Directors, the Board Committees, and the Board as a whole.

Upon the recommendation by the Nomination Committee of the proposed re-election of the relevant Directors, the Board recommended and supported the re-election of the relevant Directors to be tabled at the 36<sup>th</sup> AGM for shareholders' approval.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### PART 3 - REMUNERATION

#### Intended Outcome 7.0

- The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.
- Remuneration policies and decisions are made through a transparent and independent process.

#### 7.1 Remuneration Policy

In general, the remuneration is structured to link rewards to corporate and individual performance, as in the case of the Executive Directors and Senior Management. The Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

The Board does not have any formal remuneration policy for Directors and Senior Management in place for the time being. Notwithstanding that, in determining the remuneration packages of Executive Directors and Senior Management, the Remuneration Committee had considered the compensation and benefits which commensurate with the level of the Executive Directors and Senior Management's responsibilities and performance, as well as taking into consideration the Group's performance relative to the industry. The Executive Chairman and Executive Director are not entitled to annual fees nor receive any meeting allowances for the Board and Board Committees Meetings they attend.

The Board collectively determines the remuneration for the Non-Executive Directors to ensure it is appropriately reflective of experience and the level of responsibilities and contributions including the number of scheduled meetings for the Board and Board Committees; at the same time benchmarking against prevalent market practices. Each of the Non-Executive Directors abstains from deliberating and voting on his/her own remuneration.

#### 7.2 Remuneration Committee

The Remuneration Committee is primarily responsible for recommending the policy and framework for the remuneration of the Directors and senior management, including the terms and remuneration of the Executive Director(s), to the Board in order to align with the business strategy and long-term objectives of the Company.

# Corporate Governance Overview Statement

(Cont'd)

The Remuneration Committee of the Company comprises solely of Independent Non-Executive Directors. Its composition is as follows:-

Position	Name	Directorship
Chairman	Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah	Independent Non-Executive Director
Member	Tuan Haji Mohd Jaffar Bin Awang (Ismail)	Senior Independent Non-Executive Director
Member	Dato' Dr Abdul Razak Bin Abdul	Independent Non-Executive Director

The remuneration of Directors and senior management is determined at levels that enable the Company to attract and retain Directors and senior management with the relevant experience and expertise to govern the Group effectively.

For FY2025, the Remuneration Committee conducted its annual assessment of the remuneration package of the Executive Chairman, Executive Director and Senior Management.

In addition, the Remuneration Committee also deliberated on the Directors' fees for FY2025 which is subject to the shareholders' approval at the forthcoming 36<sup>th</sup> AGM.

## Intended Outcome 8.0

- Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### 8.1 Details of the remuneration of Directors

Pursuant to Section 230 of the Companies Act 2016, the fees of the Directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting.

For FY2025, the Board decided that the Directors' fees for FY2025 be maintained as the previous financial year for Non-Executive Directors and be recommended to the shareholders' approval at the forthcoming 36<sup>th</sup> AGM.

In addition, the Directors are covered by the Directors' & Officers' Liability Insurance, which protects them against liabilities arising from acts committed in their capacity as directors and officers of the Atlan Group, subject to certain conditions including the absence of negligence, fraud, dishonesty, or breach of duty of trust.

# Corporate Governance Overview Statement

(Cont'd)

The relevant resolutions in relation to the Non-Executive Directors' remuneration payable to the respective Directors are to be presented to the shareholders for approval at the forthcoming 36<sup>th</sup> AGM.

A summary of each individual Directors' remuneration (including benefit-in-kind) in the Company for services rendered to the Group for FY2025 is set out in the Corporate Governance Report which is available on the Company's website at <https://www.atlan.com.my>.

## 8.2 Remuneration of Senior Management

In determining the remuneration packages of Senior Management personnel, factors that are taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

The Company believes it may not be in its best interest to disclose the information on the remuneration on a named basis for each member of the Senior Management Personnel, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities.

The remuneration of Senior Management Personnel is a combination of annual salary, bonus and benefits-in-kind which are determined in a similar manner to other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance, the overall performance of the Group and also benchmarked against other companies operating in a similar industry.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 1 - AUDIT COMMITTEE

#### Intended Outcome 9.0

- There is an effective and independent Audit Committee.
- The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statements is a reliable source of information.

### 9.1 The Chairman of the Audit Committee is not the Chairman of the Board

The Company complied with Practice 9.1 of the MCCG which stipulates that the Chairman of the Audit Committee is not the Chairman of the Board. This ensures that the objectivity of the Board's review of the ARMC's findings and recommendations is not impaired.

The ARMC is chaired by an Independent Non-Executive Director, Dato' Dr Abdul Razak Bin Abdul, who fulfills other requirements as prescribed by the Bursa Securities.

# Corporate Governance Overview Statement

(Cont'd)

## 9.2 Former audit key partner

To safeguard the independence of the audit and avoid potential threats that may arise when a former key audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements, the terms of reference of the ARMC require a former key audit partner of the Company's external auditors to observe a minimum three (3) years cooling-off period before being appointed as a member of the ARMC.

However, none of the ARMC members were former key audit partners of the Company or the Group.

## 9.3 Suitability, objectivity and independence of the external auditor

The ARMC has assessed the suitability, objectivity and independence of the External Auditors to safeguard the quality and reliability of audited financial statements. This assessment is conducted on a yearly basis by the ARMC, using the prescribed External Auditors Evaluation Form, with emphasis on evaluation based on competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, reasonableness of audit fees and comparison of audit and non-audit fees.

The ARMC obtained a written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the results of the evaluation, the ARMC is satisfied with the performance of the External Auditors, their adequacy of experience, resources and the professional staff assigned to the audit of the Group. The Board has accepted the recommendation of the ARMC for the re-appointment of Messrs. Ernst & Young PLT as External Auditors of the Company for the ensuing financial year at the upcoming AGM of the Company.

## 9.4 Composition of the Audit Committee

The ARMC comprises solely Independent Directors.

This is in compliance with Paragraph 15.09(1)(c) of the Listing Requirements of Bursa Securities, which stipulates that "all the audit committee members must be non-executive directors, with a majority of them being independent directors".

The Company has adopted Practice 9.4 of the MCCG which recommends that the Audit Committee should comprised solely of Independent Directors.

## 9.5 Qualification of the Audit Committee

The Board has ensured that the ARMC as a whole is financially literate and has a sufficient understanding of the Group's business and matters under the purview of the ARMC, including the financial reporting process.

All ARMC members are financially literate, and their composition and performance are reviewed by the Nomination Committee annually and recommended to the Board for its approval.

# Corporate Governance Overview Statement

(Cont'd)

Among the ARMC members, the Chairman fulfils such other requirements as prescribed by Bursa Securities. This meets the requirements of Paragraphs 15.09(1) and (2) of the Listing Requirements.

ARMC members acknowledge the need for continuous education and training. For the financial year under review, members of the ARMC attended training on the developments in accounting and auditing standards, practices and rules and have continuously kept themselves abreast of the relevant developments through the updates and briefings by the external auditors and the Management.

All ARMC members attended at least one training in FY2025 relevant to accounting and auditing standards, practices and rules to enhance their professional development.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 2 - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Intended Outcome 10.0

- Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.
- The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

#### 10.1 Establishment of risk management and internal control framework

The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of management to identify, evaluate, monitor and manage and mitigate the risks that may affect the achievement of its business and corporate objectives.

The Management is responsible for creating a risk awareness culture and building the necessary environment for effective risk management. Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, the Board may seek assistance from external parties for opinions on pertinent issues.

The Company has established the Risk Management Team which is under the purview of the ARMC to oversee the risk management of the Group. The Risk Management Framework was adopted by the Board. The Board through the ARMC obtains the report from internal auditors regarding the periodic checks on the internal control system.

#### 10.2 Features of its risk management and internal control framework

The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control on pages 115 to 118 of this Annual Report.

# Corporate Governance Overview Statement

(Cont'd)

## 10.3 Risk Management Committee

The Board has not established a Risk Management Committee which is considered, a step-up practice. The function of the Risk Management Committee is currently assumed by the ARMC.

### Intended Outcome 11.0

- Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

## 11.1 Internal audit function

The Board's responsibility is to maintain sound systems of internal controls to safeguard shareholders' investments.

As the systems of internal controls are designed to mitigate rather than eliminate the likelihood of errors or fraud, these systems can only provide reasonable assurance against material misstatement or loss.

To maintain sound systems of internal controls, the Board has established an Audit & Risk Assessment ("ARA") department. The ARA department reports directly to the ARMC and is independent of the activities and operations that it audits. Its primary responsibility is to undertake regular and systematic reviews of the business operations, processes and procedures as well as compliance in order to provide independent and objective assurance that the Group's overall system of internal control and governance processes continue to operate adequately and effectively.

The scope of work covered by the internal audit function during the financial year is set out on page 114 of this Annual Report.

The internal auditors adopt a risk-based approach toward the planning and conduct of audits, consistent with the Group's framework in designing, implementing and monitoring its internal control system.

The internal audit function is guided by the Internal Audit Charter, which the ARMC has approved. Audit engagement is focused on priority areas according to the risk assessment and follows the audit plan approved by the ARMC.

The Head of the ARA department attended the ARMC meetings and reported directly to the ARMC on the annual internal audit plan and internal audit reports on the audits conducted following the annual audit plan.

During FY2025, the ARA department presented its internal audit reports to ARMC which included audit observations and findings, internal control weaknesses, and recommendations of corrective measures to be taken. ARA also reported that none of the internal control weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The total costs of the internal audit function in respect of FY2025 were approximately RM391,000.

# Corporate Governance Overview Statement

(Cont'd)

The ARA department consists of 4 audit personnel of which, Mr. Muhamad Anwar Bin Mustafa, is the Head of ARA department.

Mr. Muhamad Anwar Bin Mustafa, holds a Bachelor of Commerce in Accounting and Finance and is a member of the Institute of Internal Auditors (“IIA”) and Certified Practise Accountant of Australia (“CPA”).

None of the internal audit personnel had any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions. The ARA Department provides the ARMC with reasonable assurance of the Group’s internal control systems’ adequacy and integrity.

The ARMC had in June 2024 reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal auditors for the financial year ended 29 February 2024 and ensured that the ARA team had the necessary authority to carry out their work. The ARMC was also satisfied that the internal audit function was independent of the operations of the Company and the Group. During FY2025, the ARA department had provided reasonable assurance that the Company’s and the Group’s system of internal control was satisfactory and operating effectively.

## PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### PART 1 - COMMUNICATION WITH STAKEHOLDER

#### Intended Outcome 12.0

- There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.
- Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

#### 12.1 Effective, transparent and regular communication with its stakeholders

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company to the regulators, shareholders and stakeholders. The Company has identified persons authorised and responsible to approve and disclose material information to shareholders and stakeholders to ensure compliance with the Listing Requirements of Bursa Securities. The Board has delegated the authority to the Executive Director to approve all announcements for release to Bursa Securities. The Executive Director works closely with the Board, the Senior Management and the Company Secretaries who are privy to the information to maintain strict confidentiality of the information.

The Company continues to recognise the importance of transparency and accountability to its shareholders and investors. The Board always ensures that the shareholders are informed of the financial performance and major corporate activities of the Company. Such information is communicated to shareholders and investors through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.

# Corporate Governance Overview Statement

(Cont'd)

Apart from the mandatory announcements through Bursa Securities, the Company also maintains a website <https://www.atlan.com.my> to which shareholders and investors can access information on the operations and business activities of the Group.

Investor relations activities such as meetings with fund managers and analysts and interviews by the press are held at appropriate times to explain the Group's strategy, performance and major developments.

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Listing Requirements of Bursa Securities. It also adopts the recommendations of the MCGG with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital for shareholders and investors to make informed investment decisions.

The Annual Report is the main channel of communication between the Company and its stakeholders. It communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the Listing Requirements of Bursa Securities.

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Board to facilitate a greater understanding of the Company's business, governance and performance. At each AGM, the Directors of the Company are present at the meetings to answer any questions that the shareholders may ask. The Chairman of the meeting provides time for the shareholders to seek and clarify any issues pertaining to the resolutions tabled in the Company's AGM.

## PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### PART 2 - CONDUCT OF GENERAL MEETINGS

#### Intended Outcome 13.0

- Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

#### 13.1 Notice for an Annual General Meeting

General meeting serves as a principal platform for the Board and Senior Management to engage with shareholders and encourage effective shareholders' communication on the Company's performance, corporate and business developments and any other matters affecting shareholder interests.

# Corporate Governance Overview Statement

(Cont'd)

The Annual Report 2024, which contained the Notice of the 35<sup>th</sup> AGM, was issued more than 28 days prior to the meeting date to give sufficient time to shareholders to consider the resolutions that would be discussed and decided at the 35<sup>th</sup> AGM. The Notice of AGM, which set out the Agenda of the AGM, was also published in the nationally circulated daily newspaper. The notes to the Notice of AGM also provided the necessary explanations for each resolution proposed to enable shareholders to make informed decisions when exercising their voting rights.

To further promote the participation of members through proxy(ies), in line with the insertion of Paragraph 7.21 of the Listing Requirements of Bursa Securities, the Company's Constitution included explicitly the right of proxies to speak at general meetings. It allows a member who is an exempt authorised nominee to appoint multiple proxies for each omnibus account it holds and expressly disallows any restriction on the qualification of proxies.

## 13.2 Attendance in General Meetings

### 13.3 Interaction with Shareholders in General Meetings

The Company held its AGMs virtually to enable the shareholders of the Company to participate fully in the proceedings at multiple venues using technology facilities and to exercise their right to speak and vote at the meetings without the need to be physically present. For shareholders unable to participate, some had appointed proxies to represent them and vote on their behalf.

The Chairman of the 35<sup>th</sup> AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for Question and Answer sessions during the 35<sup>th</sup> AGM. The Directors actively responded to relevant questions addressed to them during the 35<sup>th</sup> AGM. Representatives from external auditors were also present at the broadcast venue to address queries raised by shareholders.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 35<sup>th</sup> AGM along with the Company's responses.

### 13.4 Voting

To enhance greater transparency, accuracy and efficiency in the voting process, the Company adopted the system of electronic voting by poll at the 35<sup>th</sup> AGM to allow the shareholders, appointed proxy or authorised representatives to submit their votes online. Shareholders who participated remotely via live streaming at the 35<sup>th</sup> AGM were required to login to Securities Services e-Portal to cast their vote online until the close of the voting session of the 35<sup>th</sup> AGM.

An independent scrutineer was appointed to validate the votes cast and the results of each resolution put to vote were announced at the Meeting. The poll results, confirmed by the Chairman were instantaneously displayed on-screen and were seen by shareholders who joined the meeting via electronic means.

An announcement detailing the poll results, including the total number of votes cast for and against each resolution and the respective percentages, was announced via Bursa LINK on the same day after the conclusion of the general meeting.

# Corporate Governance Overview Statement

(Cont'd)

## 13.5 Virtual General Meeting

The Board ensured that the required infrastructures and tools were in place to enable the smooth broadcast of the 35<sup>th</sup> AGM and meaningful engagement with the shareholders. The questions posed by the shareholders were responded to by the Directors during the 35<sup>th</sup> AGM.

The Board ensured a seamless experience for shareholders participating in the 35<sup>th</sup> AGM virtually by engaging SS E Solutions Sdn. Bhd. (as the service provider of Remote Participation and Voting facilities), to provide the virtual platform, namely Securities Services e-Portal for the 35<sup>th</sup> AGM.

The entire AGM proceedings were conducted through the Securities Services e-Portal. The Administrative Details of the AGM as well as the Securities Services e-Portal user guide with detailed registration and voting procedures were shared with the shareholders and the same information was also published on the Company's website. All shareholders were encouraged to participate remotely in the Company's AGM to ensure a high level of accountability. Shareholders were given opportunities to raise questions and feedback on their views on issues affecting the Company and to vote in AGM remotely.

## 13.6 Minutes of the General Meeting

The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the Company's achievements and performance in the past financial year, as well as its plans and strategies for the near and long-term future.

The recording of the proceedings in the form of minutes reflects the matters that were deliberated, explanations, agreements as well as resolutions reached between the shareholders and Directors of the Company in the respective AGM.

The Minutes of 35<sup>th</sup> AGM documented the proceedings, issues and concerns raised by shareholders, and the responses by the Company were made available on the Company's website at <https://www.atlan.com.my> within 30 business days after the conclusion of the 35<sup>th</sup> AGM, so as to provide useful information to shareholders and investors especially for absentee shareholders who were unable to attend the AGM.

This statement is made in accordance with resolution of the Board dated 29 May 2025.

# Additional Compliance Information

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C thereto:-

## 1. Utilisation of Proceeds

During the financial year ended 28 February 2025, the Company did not raise any funds through any corporate proposal/shareholders' mandate under Sections 75 and 76 of the Companies Act 2016.

## 2. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated with the external auditors' firm by the Company and the Group for the financial year ended 28 February 2025 are as follows:-

	Company (RM)	Group (RM)
Audit Fees	92,000	1,093,000
Non-Audit Fees	43,000	56,000
<b>Total Fees</b>	<b>135,000</b>	<b>1,149,000</b>

The non-audit fees breakdown for the Group amounting to RM56,000 are as follows:-

	Group (RM)
Reviewing Statement of Risk Management and Internal Control	13,000
Reviewing Purchase Price Allocation	30,000
Taxation fees	13,000
<b>Total</b>	<b>56,000</b>

In considering the nature and scope of the non-audit services, the Audit and Risk Management Committee is satisfied that the provision of such services would not likely to create any conflict or impair the independence and objectivity of the external auditors.

## 3. Material Contracts Involving Directors', Chief Executive who is not a Director and Major Shareholders' Interests

Other than those related party transactions as disclosed in Note 38 to the financial statements, there were no material contracts entered into by the Company and its subsidiaries involving directors', chief executive who is not a director and major shareholders' interests, either still subsisting at the end of the financial year ended 28 February 2025 or entered into since the previous financial year ended 29 February 2024.

# Audit and Risk Management Committee Report

The Audit and Risk Management Committee (“ARMC”) was established by the Board of Directors (“the Board”) with the primary objective to assist the Board in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes and management and financial reporting practices of the Group.

## COMPOSITION

The ARMC comprises solely of Independent Non-Executive Directors as follows : -

Position	Name	Directorship
Chairman	Dato’ Dr Abdul Razak Bin Abdul	Independent Non-Executive Director
Member	Tuan Haji Mohd Jaffar Bin Awang (Ismail)	Senior Independent Non-Executive Director
Member	Raja Dato’ Sri Shaharudin Shah Bin Raja Jalil Shah	Independent Non-Executive Director
Member	Datuk Zawati Binti Abd Rahman	Independent Non-Executive Director

The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”), as well as Practice 9.1 of the Malaysian Code on Corporate Governance as follows:

- All four (4) members are Independent Non-Executive Directors, including the ARMC Chairman and none of them are alternate Directors; and
- The ARMC Chairman, Dato’ Dr Abdul Razak Bin Abdul, possesses relevant accounting qualifications and is not the Chairman of the Board.

## MEETINGS

The ARMC met five (5) times during the financial year ended 28 February 2025 (“FY2025”). Details of the attendance of the ARMC members holding office during the financial year are as follows: -

Members	Attendance at Meeting
Dato’ Dr Abdul Razak Bin Abdul	5/5
Tuan Haji Mohd Jaffar Bin Awang (Ismail)	5/5
Raja Dato’ Sri Shaharudin Shah Bin Raja Jalil Shah	5/5
Datuk Zawati Binti Abd Rahman	5/5

# Audit and Risk Management Committee Report

(Cont'd)

## AUTHORITY AND DUTIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC is governed by its Terms of Reference, which is available on the Company's website at <https://www.atlan.com.my>.

## SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The activities of the ARMC for the FY2025 were as follows: -

### (i) Financial Performance and Reporting

- Reviewed quarterly financial results of the Group for FY2025 presented by the Management, to ensure the disclosures were in compliance with regulatory requirements such as the Malaysian Financial Reporting Standards and MMLR before recommending the same to the Board for approval to release the quarterly financial results to Bursa Securities; and
- Reviewed the annual audited financial statements of the Company and the Group, together with the external auditors, to ensure the said audited financial statements were drawn up under the relevant legislation and the applicable approved accounting standards before recommending to the Board for their consideration and approval.

### (ii) Internal Audit ("IA")

- Reviewed and approved the annual Internal Audit plan for FY2025 presented by the Audit and Risk Management Assessment Department ("ARA") to ensure adequate scope and comprehensive coverage on the audit activities, and principal risk areas were adequately identified and covered;
- Reviewed and deliberated on the ARA's progress of audit activities and the internal audit reports of the Group, which highlighted issues, recommendations and Management's responses to ensure appropriate actions were taken by the Management to improve the system of internal controls based on the audit recommendations in the internal audit reports; and
- Reviewed the adequacy of staff, resources and performance of the ARA. The ARMC is satisfied with the performance of the ARA for the FY2025. The ARA has carried out and completed the audit assignments in a timely manner and it has responded promptly to the issues raised by the ARMC.

# Audit and Risk Management Committee Report

*(Cont'd)*

## **(iii) External auditors**

- Discussed with the external auditors on their audit plan, scope of work including the audit report and any significant problems that may be foreseen in the audit, as well as to ensure adequate tests to verify the accounts and procedures of the Group;
- Held independent meetings with the external auditors without the presence of the Executive Director and Management to discuss issues of concern to the external auditors arising from the annual statutory audit, extent of cooperation provided by the Company, competency of finance team, and any other observations that they might have during the annual audit;
- Considered and recommended to the Board on the re-appointment of external auditors and to fix their fees, after assessing their independence and capabilities as well as the effectiveness of the external audit process; and
- Evaluated independence, suitability and performance of the external auditors for the financial year under review, upon consideration of: -
  - o the assessment of the external auditors' competence, audit quality and resource capacity;
  - o the appropriateness of audit fees and the audit quality;
  - o the requirement for non-audit services;
  - o the written assurance from the external auditors confirming their independence throughout the conduct of the audit engagement

The ARMC, being satisfied with the independence, competencies, and performance of Messrs. Ernst & Young PLT for the FY2025, made recommendations to the Board for approval on the external auditors' re-appointment.

## **(iv) Related Party Transactions**

- Reviewed and confirmed with the Management team on a quarterly basis of any related party transaction or recurrent related party transaction entered by the Group which was required to be transacted at an arm's length basis and was not detrimental to the minority shareholders.

## **(v) Corporate Governance**

- Reviewed the impact of the relevant regulatory changes and ensured compliance by the Company and the Group;
- Reviewed and recommended the proposed amendments to the Sustainability Statement to the Board for approval;
- Reviewed and recommended the proposed amendments to the Whistleblowing Policy and Procedure to the Board for approval; and
- Reviewed and recommended the Statement of Risk Management and Internal Control and ARMC Report for inclusion in the Annual Report to ensure the contents therein were accurate and in compliance with the Listing Requirements to the Board for approval.

## **(vi) Risk Management**

- Reviewed and endorsed the risk management frameworks, guidelines and other key components of risk management for implementation within the Company and throughout the Group; and
- Reviewed the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks.

# Audit and Risk Management Committee Report

(Cont'd)

## (vii) Conflict of Interest/Potential Conflict of Interest

The ARMC has not come across any conflict of interest situations or potential conflict of interest situation within the Company or its subsidiaries including any transaction, procedure or course of conduct that raises questions of management integrity.

## INTERNAL AUDIT FUNCTION

The internal audit function of the Group was carried out independently by ARA to assist the ARMC in discharging its duties and responsibilities by providing reasonable assurance on the adequacy and effectiveness of the system of risk management and internal control of the organization.

The ARA reports directly to the ARMC to maintain the objectivity and independence of the internal audit function. The ARMC reviewed the objectives, independence, authority, responsibility and scope of work of the internal audit function to ensure an appropriate structure, scope of activities, access and reporting arrangements are in place.

The ARA conducts an independent, objective, and systematic review of internal control processes to address risks and ensures that established policies and procedures, applicable laws and regulations are complied with. The ARA has unfettered access to the Board, ARMC and Management, as well as the authority to seek information and explanations.

The internal audit activities carried out by the ARA for FY2025 were as follow: -

- Formulated the annual audit plan based on risk-based approach and was reviewed and approved by the ARMC prior to the commencement of the audits;
- Conducted audit reviews of the Group's system of internal controls on reliability and integrity of financial and operational information, safeguarding of assets, the efficiency of operations, compliance with established policies as well as procedures and statutory requirements;
- Issued audit reports to the ARMC and Management with opinion on the adequacy and operation effectiveness of the operating unit's governance, risk management and internal control processes, incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the system and control; and
- Conducted follow-up reviews to determine the status of implementation of issues highlighted in previous audit reports and ensured the Management's actions had been effectively implemented and subsequently, provided updates on their status to the ARMC.

For the financial year under review, the total costs incurred by the Group for maintaining the IA functions were RM391,000.

## PERFORMANCE OF ARMC

The term of office and performance of the ARMC and each of its members is assessed annually by the Nomination Committee ("NC") and the NC reports the outcome of its assessment to the Board. For the FY2025, the Board was satisfied that the ARMC has discharged its duties and responsibilities in accordance with the Terms of Reference of the ARMC.

This Statement is made in accordance with the resolution of the Board dated 29 May 2025.

# Statement on Risk Management and Internal Control

## PREAMBLE

The Board of Directors (the “Board”) is pleased to present its Statement on Risk Management and Internal Control which has been prepared pursuant to Paragraph 15.26(b) of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the “Guidelines”).

## BOARD RESPONSIBILITY

The Board acknowledges its stewardship responsibility for the Group’s internal control and risk management system to safeguard shareholders’ investment and the Group’s assets and review its adequacy and integrity of the system.

However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, loss and fraud. For this statement, the associated company is not dealt with as part of the Group.

## INTERNAL CONTROL SYSTEMS

The embedded control system is designed to facilitate the achievement of the Group’s business objectives. It comprises the following: -

- **Organisational Structure**

The organisational structure has well-defined lines of responsibility, the delegation of authority, segregation of duties and information flow to support the Group in achieving its business objectives.

In addition, the committees made up predominantly of non-executive directors such as the Audit and Risk Management Committee (“ARMC”), Nomination Committee and Remuneration Committee with defined Terms of Reference and functions, provide the essential support to the Board. These Board Committees have been delegated specific responsibilities all of which are governed by clearly defined Terms of Reference. The Terms of Reference of these Committees are accessible at the Company’s website at <https://www.atlan.com.my>.

- **Audit and Risk Management Committee**

The ARMC convenes its meeting regularly to meet its strategic business plan, thus ensuring that the Board adequately apprised and maintains adequate supervision over the entire operations.

- **Control Activities**

The Group continuously reviews and updates its policies, procedures and standards following changes in the operating environment.

# Statement on Risk Management and Internal Control

(Cont'd)

- **Budgeting and Monitoring Processes**

The Group has a budgeting process for all operating units with periodical monitoring of performance so that significant variances are followed-up and Management action taken.

- **Managing and Monitoring of Capital and Revenue Expenditure**

The functional limits of authority for revenue and capital expenditure for all operating units facilitate the approval process whilst keeping potential exposure in check.

Detailed justification and approval process for major projects and acquisitions are imposed to ensure congruence with Company's strategic objectives.

- **Information and Communication Controls**

The Group's computerized information systems are streamlined to ensure compliance with hardware and software regulations and guidelines for system integrity, effectiveness, and efficiency.

- **Independent Auditing**

Independent appraisals by internal and external auditors ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's systems of financial, compliance and operational controls.

## RISK MANAGEMENT

The Board acknowledges that risk management is an integral part of the Group's business operations. It is an ongoing process that involves different management levels to identify, assess, evaluate, monitor, and manage and mitigate risks that may affect the achievement of its business and corporate objectives. Regular Management and operational meetings are held to deliberate solutions to mitigate critical risks. These ongoing risk management activities are undertaken at all significant subsidiaries of the Group and collectively at the Group level. The ongoing risk management process is coordinated by the Audit and Risk Assessment Department ("ARA").

Key elements of the Group's risk management framework are described below:-

- **Risk Identification**

Risk identification is performed on an ongoing basis by different levels of management. The respective business units of the Group are the risk owners and are responsible for developing the appropriate risk response strategies.

# Statement on Risk Management and Internal Control

(Cont'd)

- **Risk Assessment**

The Group maintains a risk database together with their corresponding controls, which are categorised below: -

- ❖ Strategic risk, the risk which affects the overall direction of the business.
- ❖ Operational risk, derived from the inability of internal processes and procedures to address operational failings due to people or systems.
- ❖ Financial risk, the risk associated with financial reporting and recording of transactions.
- ❖ Compliance risk, the risk concerning legal, statutory, and corporate governance.

- **Risk Mitigation Process**

Potential risks were identified by the respective business functions based on relevant knowledge, expertise, and advice from subject matter experts. The policies and procedures of the Group embed internal controls to address and mitigate known risks.

- **Reporting & Communication**

On a quarterly basis, ARA reports to the ARMC, on any significant changes in the business and external environment, and any updates to key risks in the risk register.

The Management is responsible for creating risk awareness culture and to build the necessary environment for effective risk management. Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, the Board will seek external parties' council in matters in which the Board needs to seek an opinion.

## **INTERNAL AUDIT FUNCTION**

The Internal Audit function supports the ARMC, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Group's internal control.

In particular, the Internal Audit function appraises and contributes to improve the Group's internal control systems and reports to the ARMC on a quarterly basis.

The Internal Audit function adopts the risk-based approach when carrying out its internal audit work plan, reflecting the risk profile of the Group's major business sectors is routinely reviewed and approved by the ARMC. The scope of the Internal Audit function covers the audit of all business units and operations.

# Statement on Risk Management and Internal Control

*(Cont'd)*

## REVIEW OF ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL

The ARMC is responsible for reviewing the internal and external auditors' audit reports and assessing the Management's actions on recommendations made by the internal and external auditors to resolve lapses or weaknesses in the controls.

For the financial year ended 28 February 2025, the Board has received assurances from the Executive Chairman and Executive Director that the Group's internal controls are adequate and effective in all material aspects.

Based on the internal controls established and maintained by the Group, reviews performed by Management and work performed by internal and external auditors, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls are adequate and effective.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement as required by Paragraph 15.23 of the MMLR of Bursa Securities for inclusion in the Annual Report of the Company for the financial year ended 28 February 2025 and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

Their review was also performed in accordance with Audit and Assurance Practice Guides 3 issued by the Malaysian Institute of Accountants.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 29 May 2025.

# Statement of Directors' Responsibility

in respect of the Audited Financial Statements

The Board of Directors ("Board") is required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of their profit or loss and cash flows for the financial year then ended.

In preparing the financial statements, the Board has:-

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that applicable accounting standards have been complied with; and
- Applied the going concern basis.

The Board is responsible for ensuring that the Group and the Company maintain proper accounting records, that disclose with reasonable accuracy on the financial position of the Group and the Company, and that enable the Board to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 29 May 2025.

# Financial statements

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# Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 28 February 2025.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management, financial, technical and other ancillary services.

The principal activities of the subsidiaries are set out in Note 18 to the financial statements.

## RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) net of tax	67,426	(181,993)
Profit/(Loss) attributable to:		
Owners of the parent	51,720	(181,993)
Non-controlling interests	15,706	–
	67,426	(181,993)

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the notes to the financial statements.

## DIVIDENDS

The dividends paid by the Company since 29 February 2024 was as follows:

	RM'000
In respect of the financial year ended 28 February 2025:	
First interim dividend (single-tier) of 1.0 sen on 253,650,409 ordinary shares, declared on 11 July 2024 and paid on 15 August 2024	2,536
Second interim dividend (single-tier) of 3.75 sen on 253,650,409 ordinary shares, declared on 9 October 2024 and paid on 15 November 2024	9,512
Third interim dividend (single-tier) of 8.0 sen on 253,650,409 ordinary shares, declared on 14 January 2025 and paid on 17 February 2025	20,292
	32,340

The directors do not recommend the payment of any final dividend in respect of the financial year ended 28 February 2025.

# Directors' Report

(Cont'd)

## DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Sri Adam Sani Bin Abdullah \*\*  
Dato' Sri Robin Tan Yeong Ching  
Dato' Woo Hon Kong  
Tan Thiam Chai  
Lee Sze Siang \*\*  
Tuan Haji Mohd Jaffar Bin Awang (Ismail)  
Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah  
Dato' Dr Abdul Razak Bin Abdul  
Datuk Zawati Binti Abd Rahman (F)

\*\* These directors are also directors of certain subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Chew Soo Lin  
Y.A.M. Dato' Seri Sharifah Fazira Bt DYMM Syed Sirajuddin (F)  
Ho Yuet Leng (F)  
Datuk Haji Mohd Radzuan Bin Abdullah  
Datuk Mamat Bin Samat  
Rosly Bin Ahmad  
Ahmad Zubir Bin Khalid  
Quek Meng Teck Derrick  
Dato' Azhar Bin Mohamed  
Khoo Chun Keong  
Kong Chia-Hing  
Mark Trevor Rudrum  
Takashi Terauchi  
Lim Kim Huat  
Cheah Im Bee (F) ^  
Robert Justin Frizelle ^  
Shigeru Umemori (Appointed on 26 April 2024)  
Jeneral Tan Sri Dato' Sri Abdullah Bin Ahmad @ Dollah Bin Amad (B) (Appointed on 2 May 2024)  
Haslin Binti Osman (F) (Appointed on 2 May 2024)  
Asmui Bin Mohamad Basir (Appointed on 3 April 2025)  
Zulkafly Bin Ahmad (Appointed on 3 April 2025)  
Cai, Yong (Appointed on 3 April 2025)  
Wang, Yong (Appointed on 3 April 2025)  
Hironobu Takashita (Resigned on 26 April 2024)  
General Tan Sri Dato' Seri Mohd Azumi Bin Mohamed (Retired) (Resigned on 26 June 2024)  
Dato' Megat Hisham Bin Megat Mahmud (Resigned on 26 June 2024)

^ Ceased to be a director upon the struck-off of the subsidiary.

# Directors' Report

(Cont'd)

## DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

The Company maintains a liability insurance for the directors and officers of the Group. The total amount of sum insured for the financial year amounted to RM20,000,000.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	461	215
Salaries and other emoluments	2,807	–
Defined contribution plan	95	–
Benefits-in-kind	25	–
	3,388	215

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1 March 2024	Acquired	Sold	28 February 2025

### The Company

#### Deemed interest

Dato' Sri Adam Sani Bin Abdullah *	130,319,214	5,500,000	–	135,819,214
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\* Deemed interested through Chesterfield Trust Company Limited as Trustees of the Lim Family Trust by virtue of himself as the settlor, initial protector and a primary beneficiary of the Lim Family Trust.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

## SIGNIFICANT AND SUBSEQUENT EVENTS

Details of significant and subsequent events are disclosed in Note 43 to the financial statements.

# Directors' Report

(Cont'd)

## OTHER STATUTORY INFORMATION

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment and satisfied themselves that all known bad debts had been written off and that adequate allowance for impairment had been made; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for impairment in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

# Directors' Report

(Cont'd)

## AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	837	92
Other member firm of Ernst & Young Global	256	–
Other auditors	131	–
	1,224	92

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 May 2025.

**Dato' Sri Adam Sani Bin Abdullah**

**Lee Sze Siang**

# Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Sri Adam Sani Bin Abdullah and Lee Sze Siang, being two of the directors of Atlan Holdings Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 132 to 246 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 28 February 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 May 2025.

**Dato' Sri Adam Sani Bin Abdullah**

**Lee Sze Siang**

# Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lee Sze Siang, being the director primarily responsible for the financial management of Atlan Holdings Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 132 to 246 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared  
by the abovenamed Lee Sze Siang  
at Kuala Lumpur in the Federal Territory  
on 29 May 2025.

**Lee Sze Siang**  
(MIA 16287)

Before me,

**RADZILAN BIN MAHMOOD**  
**W927**  
Commissioner for Oaths

# Independent Auditors' Report

to the members of Atlan Holdings Bhd.

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Atlan Holdings Bhd. which comprise the statements of financial position as at 28 February 2025 of the Group and of the Company, and income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 132 to 246.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 28 February 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key audit matters

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

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

# Independent Auditors' Report

(Cont'd)

## Key audit matters (Cont'd)

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

As at 28 February 2025, the carrying amounts of the Group's PPE and ROUA are RM194.4 million and RM99.5 million, which represent 56% and 29% of the non-current assets respectively. Management's impairment assessment of PPE and ROUA is significant to the audit due to the magnitude of the amount and the heightened level of estimation uncertainty associated with current market and economic conditions. Hence, we consider this to be a key audit matter.

The recoverable amounts of the PPE and ROUA in the retail business have been determined based on value-in-use ("VIU") calculations using probability-based cash flow projections approved by management. The recoverable amounts of the PPE in the hospitality business have been determined based on fair value using the income approach. During the year ended 28 February 2025, management recognised an impairment loss on PPE of RM109,000 (2024: RM Nil) and recognised an impairment loss of RM219,000 on ROUA (2024: RM84,000).

In respect of the recoverable amounts of the PPE and ROUA in the retail business, we assessed the methodology of the VIU calculations used by management. We held discussions with the relevant senior management personnel to understand the basis for the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of these assets. The key assumptions include the revenue growth rates under various recovery scenarios, budgeted gross margins, budgeted operating costs and discount rates.

We evaluated these assumptions based on our knowledge of the business and available industry news. We assessed the reasonableness of the revenue growth rates and budgeted gross margin, taking into consideration past performance and current year growth, by comparing them to industry information on market outlook. We compared the budgeted operating costs to historical results taking into account the cost optimisation measures undertaken by the Group. Where applicable, we also compared the assumptions to financial results available subsequent to year end. We involved our internal valuation specialist to evaluate the discount rates by checking to comparable companies in the same industry.

In respect of the recoverable amounts of the PPE in the hospitality business, we considered the objectivity, independence and expertise of the independent valuer engaged by the Group. We obtained an understanding of the methodology adopted by the independent valuer and assessed whether such methodology is consistent with those used in the industry. We evaluated the appropriateness of the data used by the independent valuer as inputs into their valuation. We evaluated the significant estimates applied in their valuation process, such as the assumption on the level of profit and the yield rate, by obtaining an understanding of the historical operating trend and management's plans for the hospitality business, considering the outlook for the hospitality industry and by comparing the yield rate used for comparable properties in Malaysia. We also tested the mathematical accuracy of the valuation methodology.

We also reviewed the adequacy of the disclosures in Notes 2.11, 3.2, 13 and 15 to the financial statements.

### Impairment of investment in a subsidiary

As at 28 February 2025, the carrying amount of the Company's listed subsidiary Duty Free International Limited ("DFIL") amounted to RM282.9 million, net of accumulated impairment losses of RM404.1 million. During the year ended 28 February 2025, management recognised an incremental impairment loss of RM217.0 million (2024: RM Nil) on the investment in this subsidiary based on its expected recoverable amount, which is based on the higher of the VIU and the fair value less costs of disposal (FVLCD). Estimating the VIU of the CGUs of this investment involved estimating the future cash inflows and outflows derived from the CGUs and discounting them at an appropriate rate, which resulted in a higher amount compared to the FVLCD.

# Independent Auditors' Report

(Cont'd)

## Key audit matters (Cont'd)

### Impairment of investment in a subsidiary (Cont'd)

Due to the significance of the carrying amount of this investment and the heightened level of estimation uncertainty associated with current market and economic conditions, we considered this impairment test to be a key audit matter.

In addition to the procedures performed as described above in the key audit matter on impairment assessment of PPE and ROUA, we also involved our internal valuation specialist to assess the reasonableness of the long-term growth rate by comparing it to external economic data such as economic growth and inflation rate.

We also performed procedures and assessed the adequacy of the disclosures on the investment in subsidiaries in Notes 2.12, 3.2 and 18 to the financial statements.

## Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. We have obtained the Directors' Report prior to the date of this auditors' report. The remaining other information expected to be included in the annual report are expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information expected to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

## Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

# Independent Auditors' Report

(Cont'd)

## Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# Independent Auditors' Report

(Cont'd)

## **Auditors' responsibilities for the audit of the financial statements (Cont'd)**

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

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

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

## **Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 18 to the financial statements.

## **Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Ernst & Young PLT**  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Penang, Malaysia  
29 May 2025

**Chuan Yee Yang**  
No. 03489/03/2026 J  
Chartered Accountant

# Income Statements

for the year ended 28 February 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	455,115	453,560	41,057	26,775
Other income	5	7,227	15,183	14,651	1,203
Compensation received from Compulsory Land Acquisition	43(b)	69,610	–	–	–
Raw materials and consumables used		(242,667)	(251,447)	–	–
Changes in finished goods		(13,714)	(11,468)	–	–
Employee benefits expense	6	(76,435)	(75,227)	(228)	(230)
Depreciation and amortisation		(23,137)	(22,809)	–	–
Rental expenses		(404)	(1,029)	–	–
Legal and professional fees		(4,089)	(1,954)	(699)	(370)
Other expenses	8	(79,870)	(59,640)	(3,465)	(3,233)
		91,636	45,169	51,316	24,145
Waiver of amount due from subsidiaries		–	–	(2)	(3)
Impairment loss on goodwill	16	(968)	–	–	–
Impairment loss on property, plant and equipment	13	(109)	–	–	–
Impairment loss on right-of-use assets	15	(219)	(84)	–	–
Impairment loss on investment in subsidiaries	18	–	–	(230,047)	–
Reversal of impairment loss on investment in an associate	19	–	–	70	67
Profit/(Loss)		90,340	45,085	(178,663)	24,209
Share of results of an associate		134	67	–	–
Finance costs	9	(10,890)	(11,765)	(3,183)	(3,733)
Profit/(Loss) before tax		79,584	33,387	(181,846)	20,476
Income tax expense	10	(12,158)	(8,072)	(147)	(169)
Profit/(Loss) net of tax		67,426	25,315	(181,993)	20,307
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent		51,720	20,349	(181,993)	20,307
Non-controlling interests		15,706	4,966	–	–
		67,426	25,315	(181,993)	20,307
<b>Earnings per share attributable to owners of the parent (sen per share)</b>					
Basic	11	20.39	8.02		
Diluted	11	20.39	8.02		

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

# Statements of Comprehensive Income

for the year ended 28 February 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) for the year		67,426	25,315	(181,993)	20,307
<b>Other comprehensive (loss)/income:</b>					
Item that may be reclassified to profit or loss in subsequent periods					
- Foreign currency translation		(4,981)	7,559	-	-
Items that will not be reclassified to profit or loss in subsequent periods					
- Remeasurement (loss)/gain on defined benefit plans	31	(325)	20	-	-
- Income tax effect	22	78	(5)	-	-
Total comprehensive income/(loss) for the year		62,198	32,889	(181,993)	20,307
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		46,529	28,023	(181,993)	20,307
Non-controlling interests		15,669	4,866	-	-
		62,198	32,889	(181,993)	20,307

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

# Statements of Financial Position

as at 28 February 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	194,376	200,499	1	1
Investment properties	14	25,264	27,100	–	–
Right-of-use assets	15	99,516	109,224	–	–
Goodwill	16	6,818	8,044	–	–
Intangible assets	17	–	178	–	–
Investment in subsidiaries	18	–	–	484,478	701,525
Investment in an associate	19	501	367	437	367
Other investments	20	136	137	–	–
Prepayments and development rights	21	13,500	4,000	–	–
Deferred tax assets	22	7,895	8,397	–	–
Other receivables	25	–	–	3,021	3,102
		348,006	357,946	487,937	704,995
<b>Current assets</b>					
Inventories	23	100,153	125,829	–	–
Biological assets	24	213	170	–	–
Trade and other receivables	25	52,219	73,383	122	105
Capitalised contract costs	4	2,349	702	–	–
Prepayments	21	9,236	3,883	27	27
Tax recoverable		6,893	7,450	20	–
Derivative assets	27	14	21	–	–
Marketable securities	26	2	2	2	2
Cash and bank balances	28	277,165	238,593	7,104	12,131
		448,244	450,033	7,275	12,265
<b>Total assets</b>		<b>796,250</b>	<b>807,979</b>	<b>495,212</b>	<b>717,260</b>

# Statements of Financial Position

(Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	29	81,325	100,384	608	363
Employee benefits	31	702	514	–	–
Tax payable		905	1,180	63	5
Borrowings	32	22,976	29,259	16,529	21,986
Lease liabilities	33	7,071	5,156	–	–
Derivative liabilities	27	1	–	–	–
		112,980	136,493	17,200	22,354
<b>Net current assets</b>		335,264	313,540	(9,925)	(10,089)
<b>Non-current liabilities</b>					
Provision for restoration costs	30	704	704	–	–
Employee benefits	31	1,334	1,338	–	–
Deferred tax liabilities	22	9,223	8,847	–	–
Borrowings	32	49,201	51,318	40,439	43,000
Lease liabilities	33	95,602	101,810	–	–
		156,064	164,017	40,439	43,000
<b>Total liabilities</b>		269,044	300,510	57,639	65,354
<b>Net assets</b>		527,206	507,469	437,573	651,906
<b>Equity attributable to owners of the parent</b>					
Share capital	34	356,528	356,528	356,528	356,528
Currency translation reserve		2,395	7,339	–	–
Other reserve	35	(74,780)	(75,560)	–	–
Retained earnings	36	139,834	120,701	81,045	295,378
		423,977	409,008	437,573	651,906
Non-controlling interests		103,229	98,461	–	–
<b>Total equity</b>		527,206	507,469	437,573	651,906
<b>Total equity and liabilities</b>		796,250	807,979	495,212	717,260

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

# Statements of Changes in Equity

for the year ended 28 February 2025

	Total equity RM'000	Attributable to owners of the parent				Share capital RM'000	Non-distributable			Distributable	Non-controlling interests RM'000
		Total equity attributable to owners of the parent RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000						
<b>2025 Group</b>											
<b>At 1 March 2024</b>	507,469	409,008	7,339	(75,560)	356,528				120,701	98,461	
<b>Profit for the year</b>	67,426	51,720	—	—	—				51,720	15,706	
<b>Other comprehensive loss</b>	(5,228)	(5,191)	(4,944)	—	—				(247)	(37)	
<b>Transactions with owners</b>											
Strike-off of subsidiaries	(1,470)	780	—	780	—				—	(2,250)	
Dividends on ordinary shares	(32,340)	(32,340)	—	—	—				(32,340)	—	
Dividends paid to non-controlling interests by subsidiaries	(8,651)	—	—	—	—				—	(8,651)	
<b>Total transactions with owners</b>	(42,461)	(31,560)	—	780	—				(32,340)	(10,901)	
<b>At 28 February 2025</b>	527,206	423,977	2,395	(74,780)	356,528				139,834	103,229	

# Statements of Changes in Equity

(Cont'd)

	Total equity RM'000	Attributable to owners of the parent				Share capital RM'000	Non-distributable			Distributable	Non-controlling interests RM'000
		Total equity attributable to owners of the parent RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000						
<b>2024 Group</b>											
<b>At 1 March 2023</b>	505,135	406,350	(320)	(75,560)	356,528			125,702		98,785	
<b>Profit for the year</b>	25,315	20,349	-	-	-			20,349		4,966	
<b>Other comprehensive income</b>	7,574	7,674	7,659	-	-			15		(100)	
<b>Transactions with owners</b>											
Acquisition of a subsidiary	100	-	-	-	-			-		100	
Dividends on ordinary shares	(25,365)	(25,365)	-	-	-			(25,365)		-	
Dividends paid to non-controlling interests by subsidiaries	(5,290)	-	-	-	-			-		(5,290)	
<b>Total transactions with owners</b>	(30,555)	(25,365)	-	-	-			(25,365)		(5,190)	
<b>At 29 February 2024</b>	507,469	409,008	7,339	(75,560)	356,528			120,701		98,461	

# Statements of Changes in Equity

(Cont'd)

	Note	Total equity RM'000	Share capital RM'000	Distributable Retained earnings RM'000
<b>Company</b>				
<b>At 1 March 2024</b>		651,906	356,528	295,378
<b>Total comprehensive loss</b>		(181,993)	–	(181,993)
<b>Transaction with owners</b>				
Dividends on ordinary shares	12	(32,340)	–	(32,340)
<b>At 28 February 2025</b>		437,573	356,528	81,045
<b>At 1 March 2023</b>		656,964	356,528	300,436
<b>Total comprehensive income</b>		20,307	–	20,307
<b>Transaction with owners</b>				
Dividends on ordinary shares	12	(25,365)	–	(25,365)
<b>At 29 February 2024</b>		651,906	356,528	295,378

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

# Statements of Cash Flows

for the year ended 28 February 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Operating activities</b>					
Profit/(Loss) before tax		79,584	33,387	(181,846)	20,476
Adjustments for:					
Amortisation of intangible assets		178	178	-	-
Depreciation of:					
- property, plant and equipment		11,674	10,956	-	-
- investment properties		1,892	1,895	-	-
- right-of-use assets		9,392	9,780	-	-
- other investments		1	-	-	-
Deposits forfeited		(15)	(68)	-	-
Dividend income		-	-	(40,300)	(26,105)
Changes in fair value of biological assets		(43)	8	-	-
Changes in fair value of marketable securities		-	2	-	2
Compensation received from Compulsory Land Acquisition	43(b)	(69,610)	-	-	-
Gain on disposal of property, plant and equipment		(70)	(179)	-	-
Waiver of amount due from subsidiaries		-	-	2	3
Bad debts written off		54	20	-	-
Reversal of impairment loss on receivables:					
- third parties		(73)	(57)	-	-
- subsidiaries		-	-	(14,647)	-
Impairment loss on receivables:					
- third parties		16	116	-	-
- subsidiaries		-	-	1,357	289
Impairment loss on property, plant and equipment		109	-	-	-
Impairment loss on right-of-use assets		219	84	-	-
Impairment loss on goodwill		968	-	-	-
Interest expense		10,890	11,765	3,183	3,733
Interest income		(8,987)	(8,511)	(757)	(670)
Inventories written back		(1,165)	(1,138)	-	-
Inventories written down		942	1,369	-	-
Inventories written off		-	124	-	-

# Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Operating activities</b> <b>(Cont'd)</b>					
Gain on lease termination		(790)	–	–	–
Loss/(Gain) on lease termination		1,876	(1)	–	–
Loss on forward foreign exchange contracts		8	8	–	–
Property, plant and equipment written off		1,757	44	–	–
Impairment loss on investment in subsidiaries		–	–	230,047	–
Reversal of impairment loss on investment in an associate		–	–	(70)	(67)
Reversal of short term accumulating compensated absences		(33)	(2)	–	–
Share of results of an associate		(134)	(67)	–	–
Net unrealised loss/(gain) on foreign exchange		372	(6,471)	71	(610)
Operating cash flows before changes in working capital		39,012	53,242	(2,960)	(2,949)
Changes in working capital:					
Decrease in inventories		25,899	9,903	–	–
Decrease/(Increase) in receivables and capitalised contract cost		19,064	14,014	(1)	11,510
(Decrease)/Increase in payables		(25,661)	24,655	245	(409)
Cash generated from/(used in) operations		58,314	101,814	(2,716)	8,152
Tax paid		(10,940)	(6,420)	(109)	(187)
Employee benefits paid		(141)	(267)	–	–
Net cash flows generated from/(used in) operating activities		47,233	95,127	(2,825)	7,965

# Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Investing activities</b>					
Increase in placements of deposits of more than 3 months		(1,015)	-	-	-
Acquisition of:					
- investment properties		(56)	(15)	-	-
- property, plant and equipment		(11,923)	(13,133)	-	-
Acquisition of subsidiaries		-	-	-	(63,734)
Acquisition of development rights		(9,500)	-	-	-
Repayment from/ (Advances to) subsidiaries		-	-	353	(491)
Compensation received from Compulsory Land Acquisition	43(b)	69,610	-	-	-
Net cash outflow on acquisition of subsidiary and assets	18(c)	-	(61,140)	-	-
Dividends received		-	-	40,300	26,105
Interest received		8,987	8,511	757	670
Proceeds from disposal of property, plant and equipment		85	418	-	-
Net cash flows generated from/(used in) investing activities		56,188	(65,359)	41,410	(37,450)

# Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financing activities</b>					
(Increase)/Decrease in pledged deposits		(1,268)	2,859	(1,075)	–
Dividends paid to:					
- ordinary shareholders of the Company		(32,340)	(25,365)	(32,340)	(25,365)
- non-controlling interests of subsidiaries		(8,651)	(5,290)	–	–
Payment of leases		(5,292)	(5,325)	–	–
Interest paid		(10,772)	(11,620)	(3,183)	(3,681)
Net (repayment)/drawdown of borrowings		(8,400)	42,952	(8,018)	45,000
Repayment of hire purchase liabilities		–	(49)	–	–
Net cash flows (used in)/generated from financing activities		(66,723)	(1,838)	(44,616)	15,954
<b>Net increase/(decrease) in cash and cash equivalents</b>		36,698	27,930	(6,031)	(13,531)
Effects of foreign exchange rate changes		(409)	6,348	(71)	610
<b>Cash and cash equivalents at beginning of financial year</b>		228,342	194,064	12,131	25,052
<b>Cash and cash equivalents at end of financial year</b>	28	264,631	228,342	6,029	12,131

# Statements of Cash Flows

(Cont'd)

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 March 2024 RM'000	Cash flows RM'000	Non-cash changes/ Others RM'000	Carrying amount as at 28 February 2025 RM'000
<b>Group</b>				
Term loans	14,914	42,514	–	57,428
Bankers' acceptance	5,663	(914)	–	4,749
Revolving credits	60,000	(50,000)	–	10,000
Dividends payable	–	(32,340)	32,340	–
Lease liabilities	106,966	(5,292)	999	102,673
<b>Total liabilities from financing activities</b>	<b>187,543</b>	<b>(46,032)</b>	<b>33,339</b>	<b>174,850</b>
<b>Company</b>				
Term loans	4,986	41,982	–	46,968
Revolving credits	60,000	(50,000)	–	10,000
Dividends payable	–	(32,340)	32,340	–
<b>Total liabilities from financing activities</b>	<b>64,986</b>	<b>(40,358)</b>	<b>32,340</b>	<b>56,968</b>
	Carrying amount as at 1 March 2023 RM'000	Cash flows RM'000	Non-cash changes/ Others RM'000	Carrying amount as at 29 February 2024 RM'000
<b>Group</b>				
Term loans	21,855	(6,993)	52	14,914
Bankers' acceptance	5,718	(55)	–	5,663
Revolving credits	10,000	50,000	–	60,000
Dividends payable	–	(25,365)	25,365	–
Lease liabilities				
- Hire purchase liabilities	49	(49)	–	–
- Other lease liabilities	104,067	(5,325)	8,224	106,966
<b>Total liabilities from financing activities</b>	<b>141,689</b>	<b>12,213</b>	<b>33,641</b>	<b>187,543</b>
<b>Company</b>				
Term loans	9,934	(5,000)	52	4,986
Revolving credits	10,000	50,000	–	60,000
Dividends payable	–	(25,365)	25,365	–
<b>Total liabilities from financing activities</b>	<b>19,934</b>	<b>19,635</b>	<b>25,417</b>	<b>64,986</b>

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

# Notes to the Financial Statements

– 28 February 2025

## 1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad (“Bursa Securities”). The registered office of the Company is located at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of management, financial, technical and other ancillary services.

The principal activities of the subsidiaries are set out in Note 18.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2025.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (RM’000), except when otherwise indicated.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 March 2024, the Group and the Company adopted the following new and amended MFRSs.

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments : Disclosures – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements – Non-Current Liabilities with Covenants	1 January 2024

The adoption of the above standards and amendments has no material impact on the financial statements of the Group and of the Company in the period of initial application.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7:	
- Classification and Measurement of Financial Instruments	1 January 2026
- Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee, if and only if, the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.4 Basis of consolidation (Cont'd)

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full except for unrealised losses, which are not eliminated when there are indications of impairment.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

#### **Business combinations**

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.4 Basis of consolidation (Cont'd)

#### Business combinations (Cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.10.

Acquisitions of subsidiaries that include put options to acquire non-controlling interests in the future are accounted for in accordance with MFRS 10 Consolidated Financial Statements. During the period the non-controlling interests put options remain unexercised, the non-controlling interests are calculated and immediately derecognised as though it was acquired at that date. A financial liability with respect to put options is recognised in accordance with MFRS 9 Financial Instruments. The difference between derecognition of the non-controlling interests and recognition of the financial liabilities is accounted for as an equity transaction, and disclosed under capital reserve in equity.

### 2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.6 Foreign currency

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For partial disposals of associates that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land is stated at cost less accumulated impairment losses, if any. Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	over 20 to 93 years
Golf course	over 60 years
Motor vehicles	14.3% - 20%
Office equipment, furniture and fittings	10% - 33.3%
Plant and machinery	10% - 33.3%
Other assets	5% - 20%

Buildings situated on leased land are amortised over the unexpired term of leases.

Capital work-in-progress is not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

#### Contracts on hand

Contracts on hand were acquired in business combinations and amortised on a straight line basis over its finite useful life of 2 years. The useful lives of the contracts on hand are estimated based on the current contract duration.

### 2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and impairment losses, if any.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	over 36.5 years
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Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.10 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

### 2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

### 2.13 Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The most recent available audited financial statements of the associate is used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.13 Investments in associates (Cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount if the associate and its carrying value, and then recognises the amount in profit or loss.

In the Company's separate financial statements, investment in associate is accounted for at cost less impairment losses, if any. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

### 2.14 Financial assets

#### Initial recognition and measurement

Financial assets are recognised when and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

#### Subsequent measurement

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

- Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.14 Financial assets (Cont'd)

#### Subsequent measurement (Cont'd)

##### Investments in debt instruments (Cont'd)

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are (Cont'd):

- Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

- Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in finance income.

##### Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's and the Company's right to receive payments is established. For investments in equity instruments which the Group and the Company have not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

##### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

##### **Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.15 Impairment of financial assets

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset where practical. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

The Group and the Company measure the impairment loss based on the two-step approach to measure the Expected Credit Loss ("ECL") on financial assets:

- 12-month ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

- Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-month ECL.

If in a subsequent period, the credit quality improves and reverses any previously assessed significant increase in credit risk since initial recognition, then the impairment loss reverts from lifetime ECL to 12-month ECL.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts and deposits pledged with licenced banks.

### 2.17 Inventories

#### (a) Trading inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

#### (b) Manufacturing inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- (i) Raw materials: purchase costs on a first-in first-out basis.
- (ii) Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

#### (c) Inventory property

Inventory property cost includes freehold land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.19 Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of their financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

#### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group and the Company that do not meet the hedge accounting criteria. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

The Group and the Company have designated interest rate swap as a financial liability at fair value through profit or loss.

##### Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.19 Financial liabilities (Cont'd)

#### Subsequent measurement (Cont'd)

The subsequent measurement of financial liabilities depends on their classification as described below (Cont'd):

#### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with the impairment model under MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### 2.20 Borrowing costs

Borrowing costs are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

### 2.21 Employee benefits

#### (a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.21 Employee benefits (Cont'd)

#### (b) Defined contribution plans

Defined contribution plans are recognised as expense in the period in which the related services are performed. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

#### (c) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when they are demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

#### (d) Defined benefit plans

The Group operates an unfunded, defined benefit plan for its eligible employees. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods and that benefit is discounted to determine the present value. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The defined benefit obligation is calculated using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, are recognised immediately in the statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under employee benefits expense in the income statements:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments, and non-routine settlements; and
- net interest expense or income.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.22 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessor

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.23(f).

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date of underlying asset is available to use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	over 83 to 92 years
Land use rights	over 39 to 99 years
Buildings	over 1 to 36.5 years
Office equipment	over 2 to 5 years

If ownership of the leased asset transfer to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.22 Leases (Cont'd)

#### Group as a lessee (Cont'd)

##### (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 2.23 Revenue

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.23 Revenue (Cont'd)

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

**(a) Sale of goods**

Revenue from sales of goods is recognised net of discounts when control of the asset is transferred to the customer, generally on the delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

**(b) Dividend income**

Dividend income is recognised when the right to receive payment is established.

**(c) Rental of hotel rooms and other services**

Revenue from rental of hotel rooms and other related services are recognised as and when the services are rendered.

**(d) Management income**

Management income is received from a third party operator who manages golf course of a subsidiary. The income is recognised on an accrual basis.

**(e) Interest income**

Interest income is recognised using the effective interest method.

**(f) Rental, parking and related services**

Rental income is recognised on a straight-line basis over the rental tenancy agreements or over the term of the lease. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Parking and related services are recognised net of discounts, if any, as and when the services are rendered.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.23 Revenue (Cont'd)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers (Cont'd):

**(g) Sale of inventory property**

Revenue from sales of inventory property is recognised at the point in time when the control of the properties is transferred to the buyers without any significant contractual acts to complete.

**(h) Sale of oil palm fresh fruit bunches**

Revenue from sale of oil palm fresh fruit bunches is recognised when significant risks and rewards of ownership of goods are transferred to the customer.

### 2.24 Income taxes

**(a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.24 Income taxes (Cont'd)

#### (b) Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (c) Sales and Services Tax ("SST")

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable from the taxation authority.

Revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.25 Bearer trees and biological assets

Bearer trees are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer trees are included in property, plant and equipment. Bearer trees mainly include mature oil palm plantations. Mature plantations are depreciated on a straight-line basis over its estimated useful life of 25 years.

In general, oil palms are considered mature 30 to 36 months after field planting.

The carrying values of bearer trees are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer tree is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer trees is included in the income statement in the year the bearer plant is derecognised.

Produce that grows on mature plantations are measured at fair value less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the produce.

### 2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.27 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

### 2.28 Fair value measurement

The Group and the Company measure financial instruments, such as, derivatives, and non-financial assets such as properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 39.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

# Notes to the Financial Statements

(Cont'd)

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.28 Fair value measurement (Cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group and the Company determine the policies and procedures for recurring fair value measurement, such as properties and unquoted financial assets.

External valuers may be involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the Group and by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Group and the Company analyse the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies. For this analysis, the Group and the Company verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group and the Company, in conjunction with the Group's and the Company's external valuers, also compare the changes in the fair value of each asset and liability with relevant external sources, where practical, to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

# Notes to the Financial Statements

(Cont'd)

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### (a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement on whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

One of the buildings of the Group with net carrying amount of RM23,104,000 as at 28 February 2025 (2024: RM24,902,000) is being substantially let out to earn rental income. Accordingly, this property is classified as investment property.

#### (b) Control over certain subsidiaries

As at 28 February 2025, the proportion of equity interest of the Group held in the subsidiaries is disclosed in Note 18(a).

Pursuant to the shareholders agreements, the Group is responsible for the management, business direction and strategies of each of the 5 companies, Emas Kerajang Sdn. Bhd., Seruntun Maju Sdn. Bhd., DFZ Emporium Sdn. Bhd., DFZ (M) Sdn. Bhd. and Wealthouse Sdn. Bhd.. The Group assessed that it has retained control over the said 5 companies during the financial year through stipulations in the shareholders agreements.

# Notes to the Financial Statements

(Cont'd)

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### Impairment of non-financial assets

Management performs impairment testing for the following assets:

- Goodwill;
- Property, plant and equipment;
- Right-of-use assets; and
- Investment in subsidiaries.

The above non-financial assets are tested whenever there is an indication of impairment, except goodwill which is tested for impairment annually. Impairment is recognised when events and circumstances indicate that the non-financial assets may be impaired and the carrying amounts of the non-financial assets exceed the recoverable amounts. Recoverable amount is defined as the higher of the non-financial assets' fair value less costs to sell and its value-in-use.

When value-in-use calculations are undertaken, Management estimates the recoverable amount based on a discounted cash flow model. The cash flows are derived from the budget approved by the Management. The recoverable amount is sensitive to budgeted gross margin, revenue growth rate as well as the discount rate used for the discounted cash flow model. For impairment assessment of goodwill and investment in subsidiaries, in addition to assumptions mentioned above, the recoverable amount is also sensitive to long term growth rate. Changes in these assumptions may result in changes in recoverable values.

For the current financial year, Management's impairment assessment of these assets remains significant to the audit due to magnitude of the amount. The determination of value-in-use calculations was based on a range of probability-weighted possible outcomes.

The carrying amount of the non-financial assets as at 28 February 2025 and related assumptions are disclosed in their respective notes.

<b>Non-financial assets</b>	<b>Note</b>
Property, plant and equipment	13
Right-of-use assets	15
Goodwill	16
Investment in subsidiaries	18

# Notes to the Financial Statements

(Cont'd)

## 4. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Revenue recognised at a point of time</b>				
Sales of goods	403,507	415,193	-	-
Sale of oil palm fresh fruit bunches	1,929	1,737	-	-
Sale of properties	8,192	-	-	-
Gross dividends:				
- subsidiaries	-	-	40,300	26,105
<b>Revenue recognised over time</b>				
Rental, parking and related services	6,927	6,503	-	-
Rental of hotel rooms and related services	27,328	24,055	-	-
Interest income:				
- subsidiaries	-	-	598	103
- others	7,232	6,072	159	567
<b>Revenue from contracts with customers</b>	<b>455,115</b>	<b>453,560</b>	<b>41,057</b>	<b>26,775</b>

### Contracts balances

Information about receivables and contract liabilities and balances arising from contracts with customers is disclosed as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Trade receivables	25	23,321	34,232
Capitalised contract costs		2,349	702

Capitalised contract costs consist mainly of costs incurred for sales which have not yet been recognised as revenue.

# Notes to the Financial Statements

(Cont'd)

## 5. OTHER INCOME

Included in other income are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gain arising from changes in fair value of biological assets	43	-	-	-
Gain on disposal of property, plant and equipment	70	179	-	-
Gain on foreign exchange:				
- realised	938	883	-	333
- unrealised	42	6,471	-	610
Gain on lease modification	790	-	-	-
Gain on lease termination	-	1	-	-
Deposits forfeited	15	68	-	-
Reversal of impairment loss on receivables:				
- third parties	73	57	-	-
- subsidiary	-	-	14,647	-
Inventories written back *	1,165	1,138	-	-
Interest income from a third party	1,755	2,439	-	-
Rental income from property, plant and equipment	598	534	-	-
Miscellaneous income	1,738	3,413	4	260
	7,227	15,183	14,651	1,203

\* The write back of inventories was made when the related inventories were sold above their carrying amounts.

## 6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages and salaries	62,281	64,717	215	215
Social security contribution	1,374	1,248	-	-
Contribution to defined contribution plan	4,564	5,086	-	-
Reversal of short term accumulating compensated absences	(33)	(2)	-	-
Termination benefits *	3,883	-	-	-
Other benefits	4,366	4,178	13	15
	76,435	75,227	228	230

\* This relates to compensation paid to employees and workers arising from the termination of employment following the closure of its duty free operations in Bukit Kayu Hitam as a result of the Compulsory Land Acquisition.

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM2,902,000 (2024: RM1,759,000).

# Notes to the Financial Statements

(Cont'd)

## 7. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Executive:</b>				
Salaries and other emoluments	2,807	1,678	–	–
Defined contribution plan	95	81	–	–
	2,902	1,759	–	–
Benefits-in-kind	25	–	–	–
Total executive directors' remuneration	2,927	1,759	–	–
<b>Non-executive:</b>				
Fees	461	347	215	215
Total non-executive directors' remuneration	461	347	215	215
Total directors' remuneration	3,388	2,106	215	215
Total directors' remuneration (excluding fees and benefits-in-kind)	2,902	1,759	–	–

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2025	2024
<b>Executive directors:</b>		
RM700,001 – RM750,000	–	1
RM900,001 – RM950,000	1	–
RM1,150,001 – RM1,200,000	–	1
RM2,100,001 – RM2,150,000	1	–
<b>Non-executive directors:</b>		
Below RM50,000	7	7
	9	9

The total number of directors as at 28 February 2025 was 9 (29 February 2024: 9).

# Notes to the Financial Statements

(Cont'd)

## 8. OTHER EXPENSES

Included in other expenses are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration:				
Ernst & Young				
- statutory audit	837	837	92	87
Member firm of Ernst & Young Global				
- statutory audit	256	263	-	-
Other auditors				
- statutory audit	131	102	-	-
Bad debt written off	54	20	-	-
Interest on arrears for the payment of development rights	1,960	-	-	-
Impairment loss on receivables:				
- third parties	16	116	-	-
- subsidiaries	-	-	1,357	289
Inventories written down	942	1,369	-	-
Inventories written off	-	124	-	-
Loss on foreign exchange:				
- realised	6,303	216	197	-
- unrealised	414	-	71	-
Loss arising from changes in fair value of biological assets	-	8	-	-
Loss arising from changes in fair value of marketable securities	-	2	-	2
Management fee charged by a subsidiary	-	-	1,450	1,900
Loss on forward foreign exchange contracts	8	8	-	-
Loss on lease termination	1,876	-	-	-
Property, plant and equipment written off	1,757	44	-	-

# Notes to the Financial Statements

(Cont'd)

## 9. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense on:				
- bankers' acceptance	296	228	-	-
- bank overdrafts	7	53	-	-
- hire purchase liabilities	-	1	-	-
- term loans	1,408	1,189	938	658
- revolving credits	2,245	3,075	2,245	3,075
- other lease liabilities	6,934	7,219	-	-
	10,890	11,765	3,183	3,733

## 10. INCOME TAX EXPENSE

### Major components of income tax expense

The major components of income tax expense for the financial years ended 28 February 2025 and 29 February 2024 are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current income tax				
- Malaysian income tax	11,190	9,641	167	140
- Under/(Over) provision in respect of previous financial years	12	(113)	(20)	29
	11,202	9,528	147	169
Deferred income tax (Note 22):				
- Origination and reversal of temporary differences	920	(1,381)	-	-
- Under/(Over) provision in respect of previous financial years	36	(75)	-	-
	956	(1,456)	-	-
Income tax expense recognised in profit or loss	12,158	8,072	147	169

# Notes to the Financial Statements

(Cont'd)

## 10. INCOME TAX EXPENSE (CONT'D)

Reconciliation between tax expense and accounting profit/(loss)

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%).

The reconciliations between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 28 February 2025 and 29 February 2024 are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) before tax	79,584	33,387	(181,846)	20,476
Taxation at Malaysian statutory tax rate of 24%	19,100	8,013	(43,643)	4,914
Effect of different tax rates in other country	352	(498)	–	–
Effect of tax relief	(90)	(90)	–	–
Effect of expenses not deductible for tax purposes	4,068	2,875	53,499	1,507
Effect of income not subject to tax	(12,323)	(766)	(9,689)	(6,281)
Utilisation of deferred tax assets previously not recognised	(275)	(239)	–	–
Utilisation of reinvestment allowances	–	(1,244)	–	–
Deferred tax assets not recognised	1,278	209	–	–
Under/(Over) provision of deferred tax in previous financial years	36	(75)	–	–
Under/(Over) provision of income tax in previous financial years	12	(113)	(20)	29
Income tax expense recognised in profit or loss	12,158	8,072	147	169

## 11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit net of tax attributable to owners of the parent by the number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit net of tax attributable to owners of the Company by the number of ordinary shares outstanding during the financial year plus the number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

# Notes to the Financial Statements

(Cont'd)

## 11. EARNINGS PER SHARE (CONT'D)

The following reflects the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 28 February 2025 and 29 February 2024:

	Group	
	2025 RM'000	2024 RM'000
Profit net of tax attributable to owners of the parent	51,720	20,349

	Group	
	2025 Number of shares '000	2024 Number of shares '000
Number of ordinary shares for basic earnings per share computation	253,650	253,650
Number of ordinary shares for diluted earnings per share computation	253,650	253,650

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

## 12. DIVIDENDS

	Company	
	2025 RM'000	2024 RM'000
<b>Recognised during the financial year:</b>		
Dividends on ordinary shares:		
In respect of the financial year ended 28 February 2025		
- First interim single-tier dividend of 1.0 sen	2,536	-
In respect of the financial year ended 28 February 2025		
- Second interim single-tier dividend of 3.75 sen	9,512	-
In respect of the financial year ended 28 February 2025		
- Third interim single-tier dividend of 8.0 sen	20,292	-
In respect of the financial year ended 29 February 2024		
- First interim single-tier dividend of 6.0 sen	-	15,219
In respect of the financial year ended 29 February 2024		
- Second interim single-tier dividend of 4.0 sen	-	10,146
	32,340	25,365

The directors do not recommend the payment of any final dividend in respect of the financial year ended 28 February 2025.

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>At 28 February 2025</b>									
<b>Cost</b>									
At 1 March 2024	219,909	44,648	4,636	11,113	49,656	105,019	2,825	2,504	440,310
Additions	1,342	-	6,700	740	1,455	1,670	-	16	11,923
Disposals	-	-	-	(176)	(219)	(429)	-	-	(824)
Write-offs	(12,622)	-	-	(339)	(1,928)	(6,589)	-	(122)	(21,600)
Reclassification	-	-	(4,175)	-	29	4,146	-	-	-
Exchange difference	(4,553)	-	-	(5)	(73)	-	-	-	(4,631)
At 28 February 2025	204,076	44,648	7,161	11,333	48,920	103,817	2,825	2,398	425,178

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>									
At 1 March 2024	80,688	19,474	-	9,519	43,479	84,340	1,422	889	239,811
Depreciation charge for the financial year	3,544	766	-	538	1,584	5,074	113	55	11,674
Disposals	-	-	-	(176)	(204)	(429)	-	-	(809)
Write-offs	(11,602)	-	-	(330)	(1,612)	(6,178)	-	(121)	(19,843)
Impairment loss	109	-	-	-	-	-	-	-	109
Exchange difference	(119)	-	-	(2)	(19)	-	-	-	(140)
At 28 February 2025	72,620	20,240	-	9,549	43,228	82,807	1,535	823	230,802
Analysed as:									
Accumulated depreciation	66,306	20,240	-	9,549	41,954	82,682	1,535	816	223,082
Accumulated impairment losses	6,314	-	-	-	1,274	125	-	7	7,720
	72,620	20,240	-	9,549	43,228	82,807	1,535	823	230,802
<b>Net carrying amount</b>	131,456	24,408	7,161	1,784	5,692	21,010	1,290	1,575	194,376

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>At 29 February 2024</b>									
<b>Cost</b>									
At 1 March 2023	148,801	44,648	8,768	10,780	48,751	94,209	2,825	2,409	361,191
Additions	2,801	-	5,968	534	1,311	2,386	-	133	13,133
Acquisition of a subsidiary (Note 18 (c))	61,500	-	-	65	436	-	-	-	62,001
Disposals	-	-	-	(273)	-	(399)	-	-	(672)
Write-offs	(189)	-	(27)	-	(808)	(1,224)	-	(38)	(2,286)
Reclassification	105	-	(10,073)	-	(79)	10,047	-	-	-
Exchange difference	6,891	-	-	7	45	-	-	-	6,943
At 29 February 2024	219,909	44,648	4,636	11,113	49,656	105,019	2,825	2,504	440,310

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>									
At 1 March 2023	77,421	18,708	-	9,370	42,640	81,158	1,309	869	231,475
Depreciation charge for the financial year	3,407	766	-	421	1,702	4,489	113	58	10,956
Disposals	-	-	-	(273)	-	(160)	-	-	(433)
Write-offs	(189)	-	-	-	(808)	(1,207)	-	(38)	(2,242)
Exchange difference	49	-	-	1	5	-	-	-	55
Reclassification	-	-	-	-	(60)	60	-	-	-
At 29 February 2024	80,688	19,474	-	9,519	43,479	84,340	1,422	889	239,811
Analysed as:									
Accumulated depreciation	74,483	19,474	-	9,519	42,205	84,215	1,422	882	232,200
Accumulated impairment losses	6,205	-	-	-	1,274	125	-	7	7,611
	80,688	19,474	-	9,519	43,479	84,340	1,422	889	239,811
<b>Net carrying amount</b>	139,221	25,174	4,636	1,594	6,177	20,679	1,403	1,615	200,499

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### \* Land and buildings

	Buildings RM'000	Freehold land RM'000	Total RM'000
<b>Group</b>			
<b>At 28 February 2025</b>			
<b>Cost</b>			
At 1 March 2024	192,888	27,021	219,909
Additions	1,342	–	1,342
Write-offs	(12,622)	–	(12,622)
Exchange difference	(4,553)	–	(4,553)
At 28 February 2025	177,055	27,021	204,076
<b>Accumulated depreciation and impairment losses</b>			
At 1 March 2024	80,688	–	80,688
Depreciation charge for the financial year	3,544	–	3,544
Impairment loss	109	–	109
Write-offs	(11,602)	–	(11,602)
Exchange difference	(119)	–	(119)
At 28 February 2025	72,620	–	72,620
Analysed as:			
Accumulated depreciation	66,306	–	66,306
Accumulated impairment losses	6,314	–	6,314
	72,620	–	72,620
<b>Net carrying amount</b>	<b>104,435</b>	<b>27,021</b>	<b>131,456</b>

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### \* Land and buildings (Cont'd)

	Buildings RM'000	Freehold land RM'000	Total RM'000
<b>Group</b>			
<b>At 29 February 2024</b>			
<b>Cost</b>			
At 1 March 2023	135,453	13,348	148,801
Additions	2,801	–	2,801
Acquisition of a subsidiary	49,205	12,295	61,500
Write-offs	(189)	–	(189)
Reclassification	105	–	105
Exchange difference	5,513	1,378	6,891
At 29 February 2024	192,888	27,021	219,909
<b>Accumulated depreciation and impairment losses</b>			
At 1 March 2023	77,421	–	77,421
Depreciation charge for the financial year	3,407	–	3,407
Write-offs	(189)	–	(189)
Exchange difference	49	–	49
At 29 February 2024	80,688	–	80,688
Analysed as:			
Accumulated depreciation	74,483	–	74,483
Accumulated impairment losses	6,205	–	6,205
	80,688	–	80,688
<b>Net carrying amount</b>	<b>112,200</b>	<b>27,021</b>	<b>139,221</b>

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, furniture and fittings RM'000
<b>Company</b>	
<b>At 28 February 2025</b>	
<b>Cost</b>	
At 1 March 2024/28 February 2025	73
<b>Accumulated depreciation</b>	
At 1 March 2024/28 February 2025	72
<b>Net carrying amount</b>	<b>1</b>
<b>At 29 February 2024</b>	
<b>Cost</b>	
At 1 March 2023/29 February 2024	73
<b>Accumulated depreciation</b>	
At 1 March 2023/29 February 2024	72
<b>Net carrying amount</b>	<b>1</b>

# Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM11,923,000 (2024: RM13,133,000).

	Group	
	2025 RM'000	2024 RM'000
Cash payment	11,923	13,133

- (b) Included in additions to the Group's plant and machinery during the year are capitalised staff costs amounting to RM156,000 (2024: RM164,000).

- (c) During the current financial year, the Group's business operations were impacted by the closure of its long-established duty-free complex and car park operations at Bukit Kayu Hitam. This closure was necessitated by the compulsory acquisition of land at Bukit Kayu Hitam, Kubang Pasu District, Kedah, by the Malaysian Government for a road construction project to connect the Bukit Kayu Hitam ICQS Complex in Kedah with the CIQ Sadao facility in Thailand ("Compulsory Land Acquisition").

The Compulsory Land Acquisition has resulted in the closure of its duty free operations in Bukit Kayu Hitam, leading to a deterioration in both the Group's earnings and cash flows. In view of this, the land use rights and other associated assets resulted in property, plant and equipment written off of RM906,000 and loss on lease termination of RM1,876,000.

- (d) Impairment loss recognised

Management has also conducted an assessment and identified indicators of impairment in the property, plant and equipment, as well as the right-of-use assets associated with the Group's cash-generating units ("CGUs").

During the current financial year, the management performed a review of the recoverable amounts of the property, plant and equipment and right-of-use assets (Note 15).

The recoverable amounts of the property, plant and equipment and right-of-use assets for the retail business have been determined based on value-in-use calculations using probability-weighted cash flow projections approved by management. The pre-tax discount rates applied to the cash flow projections are 11.5% to 19.2% (2024: 13.1% to 17.0%). The recoverable amounts of the property, plant and equipment for the hospitality business is determined using the income approach. The income approach entails the study of the income statements for the past three years and analysing these accounts to determine the profit to the owner, from which the outgoings are subtracted to arrive at the possible income. The yield rate used is 9% (2024: 8.5%).

For the financial year ended 28 February 2025, management recognised an impairment loss on property, plant and equipment of RM109,000 (2024: RM Nil) and impairment on right-of-use assets of RM219,000 (2024: RM84,000) (Note 15).

# Notes to the Financial Statements

(Cont'd)

## 14. INVESTMENT PROPERTIES

	Group	
	2025 RM'000	2024 RM'000
<b>Cost</b>		
At beginning of the financial year	113,901	113,886
Additions	56	15
At end of the financial year	113,957	113,901
<b>Accumulated depreciation and impairment losses</b>		
At beginning of the financial year	86,801	84,906
Depreciation charge for the financial year	1,892	1,895
At end of the financial year	88,693	86,801
Analysed as:		
Accumulated depreciation	65,693	63,801
Accumulated impairment losses	23,000	23,000
	88,693	86,801
Net carrying amount	25,264	27,100
<b>Fair values</b>		
	68,000	70,398
Direct operating expenses arising from income generating investment properties included in income statements	3,845	3,646

# Notes to the Financial Statements

(Cont'd)

## 14. INVESTMENT PROPERTIES (CONT'D)

The fair values of the investment properties were based on a valuation report provided by an independent qualified valuer. Valuation was based on current prices in an active market for certain properties and where appropriate, investment method. Investment method reflects receipt of contractual rentals, expected future market rentals, current market yields, void periods, maintenance requirements and appropriate capitalisation rates.

Investment properties with net carrying amount of RM23,104,000 (2024: RM24,902,000) are situated on a land owned by a third party on which the Group has recognised right-of-use assets as disclosed in Note 15.

Investment properties with a net carrying amount of RM2,160,000 (2024: RM27,100,000) are pledged as securities for borrowings (Note 32).

A quantitative sensitivity analysis of the change in the yield rate as at 28 February 2025 and 29 February 2024 is shown below:

Description	Fair value RM'000	Valuation technique	Unobservable inputs	Range	Sensitivity of the input to fair value
Buildings	65,900 (2024: 68,200)	Investment method	Yield adjustments based on valuer's assumptions *	7.75% to 8.25% (2024: 7.75% to 8.25%)	0.5% increase or decrease in the yield rate would result in decrease or increase in fair value by approximately RM1.9 million (2024: RM1.9 million).

\* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

# Notes to the Financial Statements

(Cont'd)

## 15. RIGHT-OF-USE ASSETS

### Group as lessor

The Group has entered into operating leases on its buildings and advertisement space. These leases have terms of less than 1 year to 3 years. Rental income recognised by the Group during the financial year is RM5,340,000 (2024: RM4,636,000).

Future minimum rentals receivable under non-cancellable operating lease are as follows:

	Land use rights RM'000	Building RM'000	Advertisement space RM'000	Total RM'000
<b>At 28 February 2025</b>				
Within one year	80	4,407	17	4,504
After one year but not more than 5 years	–	2,934	–	2,934
	80	7,341	17	7,438
<b>At 29 February 2024</b>				
Within one year	40	4,151	17	4,208
After one year but not more than 5 years	–	3,525	–	3,525
	40	7,676	17	7,733

### Group as lessee

The Group has lease contracts for various items of leasehold land, land use rights, buildings (office premises, retail outlets, warehouse, staff quarters) and office equipment used for its operations. Leases of leasehold land generally have lease terms between 83 and 92 years, land use rights generally have lease terms between 39 and 99 years, buildings generally have lease terms between 1 and 36.5 years while office equipment generally have lease terms between 2 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

# Notes to the Financial Statements

(Cont'd)

## 15. RIGHT-OF-USE ASSETS (CONT'D)

### Group as lessee (Cont'd)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Leasehold land RM'000	Land use rights RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
As at 1 March 2024	14,982	11,666	82,568	8	109,224
Additions	–	–	1,792	–	1,792
Lease modification	–	860	–	–	860
Lease termination	–	(2,666)	(83)	–	(2,749)
Depreciation expense	(376)	(667)	(8,345)	(4)	(9,392)
Impairment loss	(219)	–	–	–	(219)
At 28 February 2025	14,387	9,193	75,932	4	99,516

	Leasehold land RM'000	Land use rights RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
As at 1 March 2023	15,358	6,244	85,856	12	107,470
Additions	–	6,194	5,465	–	11,659
Lease termination	–	–	(41)	–	(41)
Depreciation expense	(376)	(772)	(8,628)	(4)	(9,780)
Impairment loss	–	–	(84)	–	(84)
At 29 February 2024	14,982	11,666	82,568	8	109,224

Included in right-of-use assets is a non-cancellable lease expiring in 2038 for a piece of property leased by a subsidiary, Naluri Properties Sdn. Bhd. ("NPSB"). NPSB has an option to renew its lease for another 30 years after the expiry of the lease.

Please refer to Note 13(d) to the financial statements for details on the impairment assessment of the right-of-use assets.

# Notes to the Financial Statements

(Cont'd)

## 16. GOODWILL

	Group	
	2025 RM'000	2024 RM'000
<b>Cost</b>		
At beginning of the financial year	29,634	27,408
Acquisition of a subsidiary (Note 18(c))	–	1,968
Exchange difference	(258)	258
At end of the financial year	29,376	29,634
<b>Accumulated impairment loss</b>		
At beginning of the financial year	(21,590)	(21,590)
Impairment loss	(968)	–
At end of the financial year	(22,558)	(21,590)
<b>Net carrying amount at end of the financial year</b>	<b>6,818</b>	<b>8,044</b>

### (a) Allocation of goodwill

Goodwill has been allocated to the Group's cash-generating unit ("CGU") identified according to business segments as follows:

	Group	
	2025 RM'000	2024 RM'000
Trading of duty free goods, dutiable and non-dutiable merchandise	5,818	5,818
Provision of hospitality related services	1,000	2,226

### (b) Key assumptions used in value-in-use calculations

The recoverable amounts of the respective CGUs (Duty free merchandise and hospitality business) are determined based on value in use calculations using probability-weighted cash flow projections from financial forecasts with key assumptions approved by management covering a five-year period.

For financial year ended 28 February 2025, Management recognised an impairment loss of RM968,000 on goodwill (2024: RM Nil) relating to the hospitality business.

Key assumptions used in the discounted cash flow models are revenue growth rates, budgeted gross margins, ability to renew duty free licences, discount rates, and long-term growth rate.

# Notes to the Financial Statements

(Cont'd)

## 16. GOODWILL (CONT'D)

### (b) Key assumptions used in value-in-use calculations (Cont'd)

#### (i) Revenue growth rates

The revenue projection of both segments for the first year was determined based on approved financial budgets. Revenue growth rates of the duty free goods, dutiable and non-dutiable merchandise segment is projected at 2% for financial year ("FY") 2026, and range between 5% to 7% for FY2027 to FY2030. (2024: Revenue growth rates for FY2025 range between 5% to 9% and 5% to 10% for FY2026 to FY2029). Revenue growth rates of the provision of hospitality services segment for FY2026 to FY2030 range between 11% to 12% (2024: Revenue growth rates for FY2025 to FY2029 range between 9% to 17%).

#### (ii) Budgeted gross margin

The budgeted gross margins for the trading of duty free goods, dutiable and non-dutiable merchandise segment was 19% (2024: 18.5%) which was based on the average gross margin achieved in past years. The budgeted gross margins for the provision of hospitality services segment are in the range of 50% to 57% (2024: 52% to 62%).

#### (iii) Duty free licences

The duty free business requires a number of licences, which include duty free shop licence, wholesale dealer's licence, bonded warehouse licence and/or liquor import licence. It is assumed that the licences will be renewed upon their expiry on terms and conditions which are not less favourable.

#### (iv) Long-term growth rates

The forecasted long-term growth rates were based on published industry research and do 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 for both segments are 2.2% (2024: 2.2%).

#### (v) Pre-tax discount rate

The pre-tax discount rate applied to the cash flow projections for trading of duty free goods, dutiable and non-dutiable merchandise segment is 14.2% (2024: 14.3% to 14.5%) based on the weighted average cost of capital of the Group. The pre-tax discount rate applied to the cash flow projections for the provision of hospitality related services segment is 14.05% (2024: 13.5%).

### (c) Sensitivity to changes in assumptions

With regards to the assessment of value in use of all CGUs, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the units to materially exceed their recoverable amounts.

# Notes to the Financial Statements

(Cont'd)

## 17. INTANGIBLE ASSETS

	Contracts on hand	
	2025 RM'000	2024 RM'000
<b>Group</b>		
<b>Cost</b>		
At beginning of the financial year	356	–
Acquisition of a subsidiary (Note 18(c))	–	356
At end of the financial year	356	356
<b>Accumulated amortisation</b>		
At beginning of the financial year	178	–
Amortisation	178	178
At end of the financial year	356	178
<b>Net carrying amount</b>	–	178

Contracts on hand relate to the agreements entered with the lodges' owners to provide them with rental services and estate management services for the Group's hospitality business that were acquired in the business combination. The useful lives of the contracts on hand are estimated based on the current contract duration. The amortisation of contracts on hand is included in profit or loss.

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Quoted equity instruments, at cost outside Malaysia	686,963	686,963
Unquoted shares, at cost	393,660	390,531
	1,080,623	1,077,494
Less: Accumulated impairment losses	(596,145)	(375,969)
	484,478	701,525

Movement in accumulated impairment losses is as follows:

	Company	
	2025 RM'000	2024 RM'000
At beginning of the financial year	375,969	375,969
Impairment loss	230,047	–
Derecognised	(9,871)	–
At end of the financial year	596,145	375,969

During the financial year, the Company subscribed for 13,000,000 Convertible Redeemable Preference Shares (“CRPS”) fully paid up in the capital of Atlan Management Sdn. Bhd. by way of capitalisation of debts amounting to RM13.0 million owing to the Company.

The total cost of investment for the investment in subsidiaries which were struck-off during the year amounted to RM9.9 million and had been fully impaired in prior years. The cost of investment and related accumulated impairment losses were derecognised accordingly during the current financial year.

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 28 February 2025, are as follows:

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2025 %	2024 %	
Arah Induk Sdn. Bhd.	100	100	Dormant
Atlan Properties Sdn. Bhd.	100	100	Dormant
Atlan Technology Sdn. Bhd.	100	100	Dormant
Atlan Orient Sdn. Bhd.	100	100	Dormant
Naluri Properties Sdn. Bhd.	100	100	Property investment, general construction and apartment hotel business
Duty Free International Limited ("DFIL") (Incorporated in Singapore) +^	76	76	Investment holding
United Industries Holdings Sdn. Bhd. ("UIH")	100	100	Investment holding
Blossom Time Sdn. Bhd.	100	100	Property development
Atlan Management Sdn. Bhd.	100	100	Providing various administration, advisory, management, planning, functions and assistance to its holding company and related companies
Atlan Development Sdn. Bhd.	100	100	Dormant
Ocean Pride Sdn. Bhd.	100	100	Dormant
Gardenia Success Sdn. Bhd.***	-	100	Dormant
Belle Isle Hotels (Cornwall) Management Limited (Incorporated in United Kingdom)#	100	100	Operator of a luxury hotel and spa
Immugen Sdn. Bhd.	90	90	Dormant

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 28 February 2025, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2025 %	2024 %	
<b>Held through DFIL</b>			
DFZ Capital Sdn. Bhd. ("DFZ")	76	76	Investment holding
Darul Metro Sdn. Bhd.	76	76	Dormant
Orchard Boulevard Sdn. Bhd.	76	76	Investment holding and resort development
Zon Duty Free Pte. Ltd. (Incorporated in Singapore) #	76	76	Wholesaler and distributor of duty free and non-dutiable merchandise
Brand Connect Holding Pte. Ltd. (Incorporated in Singapore) #**	–	59	Investment holding
<b>Held through DFZ</b>			
DFZ Trading Sdn. Bhd.	76	76	Investment holding and management services
Selasih Eksklusif Sdn. Bhd.	76	76	Retailer of duty free and non-dutiable merchandise
Winner Prompt Sdn. Bhd.	76	76	Licensed distributor and wholesaler of duty free merchandise
Emas Kerajang Sdn. Bhd. @	53	53	Retailer of duty free and non-dutiable merchandise
Seruntun Maju Sdn. Bhd. @	53	53	Retailer of duty free and non-dutiable merchandise

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 28 February 2025, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2025 %	2024 %	
<b>Held through Darul Metro Sdn. Bhd.</b>			
Binamold Sdn. Bhd.	76	76	Property investment
<b>Held through Orchard Boulevard Sdn. Bhd.</b>			
Gold Vale Development Sdn. Bhd.	76	76	Dormant
Kelana Megah Sdn. Bhd.	76	31 @	Dormant
Cergasjaya Properties Sdn. Bhd.	76	76	Resort development, properties management and cultivation of oil palm
Black Forest Golf and Country Club Sdn. Bhd.	76	76	Dormant
Tenggara Senandung Sdn. Bhd.	76	76	Dormant
DFZ Asia Sdn. Bhd.	76	76	Investment holding
PT DFZ Indon (Incorporated in Indonesia) #	75	75	Dormant
<b>Held by Brand Connect Holding Pte. Ltd.</b>			
Drinks Hub Asia Pte. Ltd. (Incorporated in Singapore) #**	–	59	Wholesaler of beverages
Brand Connect Asia Pacific Pte. Ltd. (Incorporated in Singapore) # **	–	59	Wholesaler of beverages

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 28 February 2025, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2025 %	2024 %	
<b>Held through DFZ Trading Sdn. Bhd.</b>			
Cergasjaya Sdn. Bhd.	76	76	Wholesaler and retailer of duty free and non-dutiable merchandise
Melaka Duty Free Sdn. Bhd.	39	39	Retailer of duty free and non-dutiable merchandise
DFZ Duty Free Supplies Sdn. Bhd.	76	76	Wholesaler and distributor of duty free and non-dutiable merchandise
Jasa Duty Free Sdn. Bhd.	76	76	Retailer of duty free and non-dutiable merchandise
DFZ Emporium Sdn. Bhd. @	22	22	Retailer of duty free and non-dutiable merchandise
DFZ (M) Sdn. Bhd. @	53	53	Retailer of duty free and non-dutiable merchandise
Wealthouse Sdn. Bhd. @	22	22	Retailer of duty free and non-dutiable merchandise
Jelita Duty Free Supplies Sdn. Bhd.	76	76	Wholesaler and distributor of duty free and non-dutiable merchandise
DFZ Duty Free (Langkawi) Sdn. Bhd.	76	76	Retailer of duty free and non-dutiable merchandise
Zon Emporium Sdn. Bhd.	76	76	Dormant
DFZ Utara Sdn. Bhd. *	–	76	Dormant
<b>Held through DFZ Asia Sdn. Bhd.</b>			
PT DFZ Indon (Incorporated in Indonesia) #	1	1	Dormant

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 28 February 2025, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2025 %	2024 %	
<b>Held through Brand Connect Asia Pacific Pte. Ltd.</b>			
Brand Connect Pte. Ltd. (Incorporated in Singapore) #**	–	59	Retail sale of beverages
<b>Held through UIH</b>			
United Industries Sdn. Bhd.	100	100	Manufacturing and marketing of exhaust systems and other automotive component parts
United Sanoh Industries Sdn. Bhd.	70	70	Manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings
UVI Advance Technology Sdn. Bhd.	100	100	Dormant
<b>Held through UIH and United Industries Sdn. Bhd.</b>			
United Vehicles Industries Sdn. Bhd.	100	100	Manufacturing and marketing of fuel tanks, other automotive component parts and wheelbarrows

+ A corporation listed on Singapore Stock Exchange (“SGX-ST”)

^ Audited by member firm of Ernst & Young Global in Singapore

# Audited by a firm other than Ernst & Young PLT.

@ Accounted for as subsidiaries with 76% effective ownership as the Group has full control of the entities through the terms of non-voting Convertible Redeemable Preference Shares and shareholder agreements entered into by the Group and the non-controlling interests.

\* Company was struck off with effect from 4 March 2024.

\*\* Company was struck off with effect from 5 August 2024.

\*\*\* Company was struck off with effect from 21 October 2024.

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests

The Group regards DFIL and its subsidiaries ("DFIL Group") and United Sanoh Industries Sdn. Bhd. ("USISB") as subsidiaries which have non-controlling interests that are material to the Group. The equity interest held by non-controlling interests are as follows:

	DFIL Group		USISB	
	2025 %	2024 %	2025 %	2024 %
Equity interest held by non-controlling interests	24	24	30	30

The summarised financial information of DFIL Group and USISB is set out below. The information presented below is based on the amounts before inter-company elimination.

(i) Summarised statements of financial position

	DFIL Group		USISB	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current assets	172,946	176,005	16,180	14,392
Current assets	331,737	305,638	42,714	60,310
<b>Total assets</b>	<b>504,683</b>	<b>481,643</b>	<b>58,894</b>	<b>74,702</b>
Current liabilities	30,014	26,662	20,495	36,465
Non-current liabilities	100,087	106,701	2,609	3,037
<b>Total liabilities</b>	<b>130,101</b>	<b>133,363</b>	<b>23,104</b>	<b>39,502</b>
<b>Net assets</b>	<b>374,582</b>	<b>348,280</b>	<b>35,790</b>	<b>35,200</b>
Equity attributable to owners of the company	282,805	261,094	25,053	24,640
Non-controlling interests	91,777	87,186	10,737	10,560
	<b>374,582</b>	<b>348,280</b>	<b>35,790</b>	<b>35,200</b>

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests (Cont'd)

(ii) Summarised statements of comprehensive income

	DFIL Group		USISB	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	155,100	157,252	96,468	99,079
Profit for the financial year	53,673	14,041	8,545	5,007
Profit attributable to:				
Owners of the company	40,493	10,582	5,981	3,505
Non-controlling interests	13,180	3,459	2,564	1,502
	53,673	14,041	8,545	5,007
Item that may be reclassified to profit or loss in subsequent periods				
- Foreign currency translation	(147)	478	-	-
Items that will not be reclassified to profit or loss in subsequent periods				
- Remeasurement (loss)/gain on defined benefit plans	-	-	(165)	22
- Income tax effect	-	-	39	(5)
Total comprehensive income	53,526	14,519	8,419	5,024
Total comprehensive income attributable to:				
Owners of the company	40,383	11,155	5,893	3,517
Non-controlling interests	13,143	3,364	2,526	1,507
	53,526	14,519	8,419	5,024
Dividends paid to non-controlling interests	6,302	2,590	2,349	2,700

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests (Cont'd)

(iii) Summarised statements of cash flows

	DFIL Group		USISB	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net cash generated from/(used in):				
- Operating activities	8,593	36,146	7,980	24,343
- Investing activities	67,152	5,143	(4,401)	(2,991)
- Financing activities	(30,308)	(16,025)	(7,852)	(12,700)
Net increase/(decrease) in cash and cash equivalents	45,437	25,264	(4,273)	8,652
Effects of foreign exchange rate changes	(335)	5,738	-	-
Cash and cash equivalents at beginning of the financial year	177,811	146,809	20,463	11,811
Cash and cash equivalents at end of the financial year	222,913	177,811	16,190	20,463

The summarised financial information of Immugen Sdn. Bhd. ("ISB") is not included as ISB is a dormant company and its financial information is not material to the Group.

(c) Acquisition of subsidiaries

- (i) In the previous financial year, the Company subscribed for 900,000 ordinary shares of RM1 each in Immugen Sdn. Bhd. at an issue price of RM1 per share amounting to RM900,000.
- (ii) On 3 April 2023 ("acquisition date"), the Company completed the property sale and purchase agreement ("Property SPA") with Belle Isle Property Ltd ("BIP") for the purchase of The Cornwall Hotel Spa & Estate ("Property"), assets acquisition agreement ("Asset SPA") with BIP for the purchase of all of BIP's existing assets and liabilities which relate to the Property's operations and share sale and purchase agreement ("Shares SPA") with Mark Trevor Rudrum for the acquisition of the entire issued share capital of Belle Isle Hotels (Cornwall) Management Ltd ("BIM") following the respective payments of the balance consideration. Following the completion of the Property SPA, Assets SPA and Shares SPA, BIM became a wholly owned subsidiary of the Company and the owner of the Property and the existing assets and liabilities which relate to the Property's operations.

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (c) Acquisition of subsidiaries (Cont'd)

#### (ii) (Cont'd)

BIM is engaged in the business of managing the Property that is involved in the hospitality business in United Kingdom.

The fair value of the identifiable assets and liabilities arising from the acquisitions as at the acquisition date were:

	Fair value recognised on acquisition RM'000
<b>Assets</b>	
Property, plant and equipment (Note 13)	62,001
Intangible assets – contracts on hand (Note 17)	356
Inventories	156
Trade and other receivables	2,220
Cash and cash equivalents	1,694
	66,427
<b>Liabilities</b>	
Trade and other payables	(5,561)
	<b>Total net identifiable net assets at fair value</b>
	60,866
Goodwill arising on acquisition (Note 16)	1,968
	<b>Purchase consideration transferred</b>
	62,834
Total cash consideration transferred	62,834
	<b>RM'000</b>
<b>Effect of the acquisitions on cash flows</b>	
Total consideration for 100% equity interest acquired	62,834
Less: cash and cash equivalent of subsidiary acquired	(1,694)
	Net cash outflow on acquisition
	61,140

#### Impact of acquisition on profit or loss

From the acquisition date, BIM contributed RM24,055,000 of revenue and net profit of RM717,000 to the Group's results in prior year.

# Notes to the Financial Statements

(Cont'd)

## 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Impairment loss recognised

The management of the Company has carried out a review of the recoverable amount of its investment in Duty Free International Limited ("DFIL"). The recoverable amount was based on the higher of fair value less costs to sell and value-in-use. The value-in-use calculation for DFIL was derived from probability-based cash flow projections based on financial forecasts with key assumptions approved by management covering a five-year period. The financial forecasts which were approved include the management's different scenarios of passenger traffic levels at outlets located at airports and land borders. Based on the assessment, an impairment loss of RM217,047,000 (2024: RM Nil) was recognised for the financial year 28 February 2025.

The key assumptions used in value-in-use calculations are presented below:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year, increased for expected efficiency improvements. The budgeted gross margins range from 30% to 31% (2024: 35% to 37%).

(ii) Revenue growth rates

The revenue projection for the first year is determined based on approved financial budgets. Revenue growth rates for financial year ("FY") 2026 range between -9% to -10% and 5% to 11% for FY2027 to FY2030. (2024: 2025 ranged between 12% to 17% and 8% to 20% for FY2026 to FY2029).

(iii) Long-term growth rates

The forecasted growth rates are based on published industry research and do 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 is 2.2% (2024: 2.2%).

(iv) Pre-tax discount rate

The pre-tax discount rate applied to the probability-based discounted cash flow projections is 12.7% to 12.9% based on weighted average cost of capital of the Group (2024: 12.1% to 12.2%).

# Notes to the Financial Statements

(Cont'd)

## 19. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares in Malaysia, at cost	437	437	437	437
Less: Accumulated impairment loss	-	-	-	(70)
	437	437	437	367
Shares of post acquisition results	64	(70)	-	-
	501	367	437	367
Represented by:				
Share of net assets of an associate	501	367	437	367

The particulars of the associate, which is incorporated in Malaysia, are as follows:

Name of Company	Proportion of ownership interest		Principal activities
	2025	2024	
	%	%	
Scandinavian Avionics (Malaysia) Sdn. Bhd. #	25	25	Sale of aviation related electrical instruments and the provision of avionics support services

# Audited by a firm other than Ernst & Young PLT

The financial year end of the associate is 31 December. The results of the associate are accounted for in the Group's financial statements under the equity method, based on the most recently available audited financial statements and the unaudited management financial statements of the associate made up to period ended 28 February 2025.

The associate requires the parent's consent to distribute its profits. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 28 February 2025 or 29 February 2024.

The summarised financial information of the associate is set out below and represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

# Notes to the Financial Statements

(Cont'd)

## 19. INVESTMENT IN AN ASSOCIATE (CONT'D)

(a) Summarised statement of financial position

	Group	
	2025 RM'000	2024 RM'000
Non-current assets	3,701	2,698
Current assets	389	370
<b>Total assets</b>	<b>4,090</b>	<b>3,068</b>
Current liabilities, representing total liabilities	2,086	1,599
<b>Net assets</b>	<b>2,004</b>	<b>1,469</b>

(b) Summarised statement of comprehensive income

	Group	
	2025 RM'000	2024 RM'000
Revenue	8,226	6,900
Profit net of tax, representing total comprehensive income	535	269

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associate

	Group	
	2025 RM'000	2024 RM'000
Net assets at beginning of the financial year	1,469	1,200
Profit net of tax	535	269
<b>Net assets at end of the financial year</b>	<b>2,004</b>	<b>1,469</b>
Interest in the associate	25%	25%
<b>Carrying value of Group's interest in the associate</b>	<b>501</b>	<b>367</b>

# Notes to the Financial Statements

(Cont'd)

## 20. OTHER INVESTMENTS

	Group	
	2025 RM'000	2024 RM'000
Unquoted shares at cost - in Malaysia	24	24
Corporate golf club and vacation club memberships at cost	123	123
Less: Accumulated amortisation	(11)	(10)
	112	113
	136	137

## 21. PREPAYMENTS AND DEVELOPMENT RIGHTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>				
Development rights	13,500	–	–	–
<b>Non-current</b>				
Prepaid development return *	–	4,000	–	–
<b>Current</b>				
Prepaid other operating expenses	9,236	3,883	27	27
<b>Total prepayments</b>	9,236	7,883	27	27
Amount to be charged out to profit or loss:				
- Not later than 1 year	9,236	3,883	27	27
- Later than 1 year but not later than 5 years	–	4,000	–	–
	9,236	7,883	27	27

\* Related to development return paid to the State Government of Johor and City Council of Johor. Full payment of the remaining RM9.5 million of the development return has been made in the current year and the Group has fulfilled its payment obligations pursuant to the agreement entered into with the State Government of Johor and the City Council of Johor. Consequently, the entire balance of RM13.5 million has been reclassified and reflected as development rights as at 28 February 2025.

# Notes to the Financial Statements

(Cont'd)

## 22. DEFERRED TAX

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	450	1,901
Recognised in profit or loss (Note 10)	956	(1,456)
Recognised in equity	(78)	5
At end of the financial year	1,328	450
<b>Presented after appropriate offsetting as follows:</b>		
Deferred tax assets	(7,895)	(8,397)
Deferred tax liabilities	9,223	8,847
	1,328	450

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

### Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Right-of-use Assets RM'000	Total RM'000
At 1 March 2024	11,933	20,397	32,330
Recognised in profit or loss	(307)	(1,752)	(2,059)
At 28 February 2025	11,626	18,645	30,271
At 1 March 2023	11,728	21,443	33,171
Recognised in profit or loss	205	(1,046)	(841)
At 29 February 2024	11,933	20,397	32,330

# Notes to the Financial Statements

(Cont'd)

## 22. DEFERRED TAX (CONT'D)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (Cont'd):

### Deferred tax assets of the Group:

	Unutilised tax losses and unabsorbed capital allowances RM'000	Lease liability RM'000	Others RM'000	Total RM'000
At 1 March 2024	(4,218)	(25,221)	(2,441)	(31,880)
Recognised in profit or loss	1,364	1,059	592	3,015
Recognised in equity	-	-	(78)	(78)
At 28 February 2025	(2,854)	(24,162)	(1,927)	(28,943)
At 1 March 2023	(4,985)	(25,459)	(826)	(31,270)
Recognised in profit or loss	767	238	(1,620)	(615)
Recognised in equity	-	-	5	5
At 29 February 2024	(4,218)	(25,221)	(2,441)	(31,880)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unabsorbed capital allowances	52,778	52,689	818	818
Unabsorbed investment tax allowance	9,711	9,711	-	-
Unutilised tax losses	254,002	250,121	-	-
Other deductible temporary differences	105,637	105,427	-	-
	422,128	417,948	818	818

# Notes to the Financial Statements

(Cont'd)

## 22. DEFERRED TAX (CONT'D)

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they arose from subsidiaries that have insufficient profits to fully utilise these unabsorbed capital allowances, unabsorbed investment tax allowances, unutilised tax losses and other deductible temporary differences in the foreseeable future.

The unabsorbed capital allowances, unabsorbed investment tax allowances and unutilised tax losses are available for offsetting against future taxable profits subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority. The ability to carry forward unutilised tax losses and unabsorbed investment tax allowances are restricted to a maximum period of seven consecutive Year of Assessment ("YA"), effective YA 2019. Based on the latest Malaysian Finance Act gazetted on 31 December 2021, the time limit for the carry forward of the unused tax losses has been extended from 7 years to 10 years. As a result of this change, the unused tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment and any balance of the unused tax losses thereafter shall be disregarded.

The unabsorbed capital allowances, unabsorbed investment tax allowances, and unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholding of those entities under Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group	
	2025 RM'000	2024 RM'000
<b>Utilisation period</b>		
Indefinite	66,341	65,635
2026	2,318	2,318
2028	223,260	226,563
2029	1,203	1,203
2030	1,240	1,240
2031	15,282	15,888
2032	9,957	9,957
2033	4,646	4,646
2034	1,611	1,611
2035	2,525	–
	<b>328,383</b>	<b>329,061</b>

# Notes to the Financial Statements

(Cont'd)

## 23. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
<b>Cost</b>		
Raw materials	18,501	24,382
Work in progress	5,570	6,677
Trading goods	64,934	77,960
Finished goods	1,446	1,549
Inventory properties <sup>^</sup>	7,133	13,665
Consumables	140	159
Goods in transit	2,286	1,269
Food and beverages	143	168
	100,153	125,829

<sup>^</sup> The inventory properties of RM13,665,000 at the end of the previous financial year were pledged as securities for term loans as disclosed in Note 32.

During the financial year, the amount of inventories recognised as an expense in the income statements was RM256,381,000 (2024: RM262,915,000).

Inventories are written down to the estimated net realisable value. The net realisable value of the inventories are determined based on the expected sales.

The inventories written down mainly relate to selected inventories for which sales are expected to be low.

## 24. BIOLOGICAL ASSETS

	Group	
	2025 RM'000	2024 RM'000
<b>At fair value</b>		
At beginning of the financial year	170	178
Gain/(Loss) arising from changes in fair value	43	(8)
At end of the financial year	213	170

The Group's biological assets refer to fresh fruit bunches ("FFB"), which are used to produce Crude Palm Oil ("CPO") and Palm Kernel ("PK"). The fair values of FFB are determined by using the total sales figure in the following month with the assumption that all the fruits harvested are sold subsequently to the customer.

During the financial year, the Group produced approximately 2,500 tonnes (2024: 2,500 tonnes) of FFB. The selling prices per tonne for those FFB are based on CPO and PK selling prices ranging between RM2,300 to RM5,100 (2024: RM1,900 to RM4,200) and contracted pre-determined extraction rates of CPO and PK as agreed with the buyer of the FFB crop.

# Notes to the Financial Statements

(Cont'd)

## 25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>				
<b>Other receivables</b>				
Due from subsidiaries	–	–	3,021	3,102
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	23,451	34,540	–	–
Less: Allowance for impairment	(130)	(308)	–	–
Trade receivables, net	23,321	34,232	–	–
<b>Other receivables</b>				
Due from subsidiaries	–	–	3,921	17,201
Less: Allowance for impairment	–	–	(3,804)	(17,100)
	–	–	117	101
Deposits	4,268	4,899	2	2
Due from Berjaya Waterfront Sdn. Bhd.	21,018	30,098	–	–
Sundry receivables	3,773	4,315	3	2
	29,059	39,312	5	4
Less: Allowance for impairment	(161)	(161)	–	–
Other receivables, net	28,898	39,151	122	105
Total current trade and other receivables, net	52,219	73,383	122	105
Total trade and other receivables	52,219	73,383	3,143	3,207
Add: Cash and bank balances (Note 28)	277,165	238,593	7,104	12,131
Total financial assets carried at amortised cost	329,384	311,976	10,247	15,338

# Notes to the Financial Statements

(Cont'd)

## 25. TRADE AND OTHER RECEIVABLES (CONT'D)

### Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 120 days (2024: 14 to 120 days) terms. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

### Due from subsidiaries

The amounts owing from subsidiaries are unsecured and are recoverable on demand. The interest bearing and non-interest bearing amounts are as follows:

	Company	
	2025 RM'000	2024 RM'000
Interest bearing	3,021	3,102
Non interest bearing	117	101
	3,138	3,203

The effective interest on the interest bearing amount is 5.0% (2024: 5.0%) per annum.

### Due from Berjaya Waterfront Sdn. Bhd. ("Berjaya Waterfront")

The amount due from Berjaya Waterfront arose from the uncollected portion of the sale consideration for the disposal of the Group's interests over leasehold properties in The Zon Johor Bahru, which was completed in March 2013. This balance is subject to interest throughout the term that the balance was outstanding. The interest rate was initially set at 6% per annum but was revised to 9% per annum from 16 July 2015 to 15 April 2022. The interest rate was revised to 7% per annum from 16 April 2022 onwards.

The balance of RM40.0 million was scheduled to be repaid on or before 15 April 2024. In July 2023, the Group entered into an agreement with Berjaya Waterfront to offset the rental payments due from the Group's subsidiary, Selasih Eksklusif Sdn. Bhd. against the RM40.0 million balance receivable from Berjaya Waterfront. As at 15 April 2024, a rental payable of RM20.0 million had been set off against the total outstanding receivable from Berjaya Waterfront, resulting in an outstanding receivable balance from Berjaya Waterfront of RM20.0 million (excluding interest receivables).

On 15 April 2025, both parties had mutually agreed that Berjaya Waterfront shall pay the remaining deferred consideration of RM20.0 million on or before 15 April 2026 and Berjaya Waterfront will continue to pay interest at 7% per annum on the unpaid consideration on a quarterly basis.

The amount is guaranteed by Berjaya Waterfront's holding company.

# Notes to the Financial Statements

(Cont'd)

## 25. TRADE AND OTHER RECEIVABLES (CONT'D)

### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2025 RM'000	2024 RM'000
Neither past due nor impaired	21,549	30,865
1 to 30 days past due not impaired	695	604
31 to 60 days past due not impaired	108	374
61 to 90 days past due not impaired	636	1,019
91 to 120 days past due not impaired	106	140
More than 120 days past due not impaired	227	1,230
Past due but not impaired	1,772	3,367
Impaired	130	308
	23,451	34,540

### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of these balances have been renegotiated during the financial year.

### Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM1,772,000 (2024: RM3,367,000) that are past due at the reporting date but not impaired. Although these balances are unsecured in nature, they are mostly due from creditworthy debtors.

None of these balances have been renegotiated during the financial year.

# Notes to the Financial Statements

(Cont'd)

## 25. TRADE AND OTHER RECEIVABLES (CONT'D)

### Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2025 RM'000	2024 RM'000
<b>Individually impaired</b>		
Trade receivables - nominal amounts	130	308
Less: Allowance for impairment	(130)	(308)
	-	-

### Movement in allowance accounts:

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	308	554
Charge for the year	16	23
Written back	(73)	(57)
Write off against trade receivables	(121)	(212)
At end of the financial year	130	308

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in legal disputes or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its trade receivable balances on an account-by-account basis. Hence, all impairment losses are provided for specific trade receivable balances. Management is of the opinion that there is no further factor that warrants the consideration of additional impairment losses on a collective basis.

# Notes to the Financial Statements

(Cont'd)

## 25. TRADE AND OTHER RECEIVABLES (CONT'D)

### Other receivables that are impaired

Other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2025 RM'000	2024 RM'000
<b>Individually impaired</b>		
Sundry receivables - nominal amounts	161	161
Less: Allowance for impairment	(161)	(161)
	-	-

	Company	
	2025 RM'000	2024 RM'000
<b>Individually not impaired</b>		
Due from subsidiaries	3,138	3,203
<b>Individually impaired</b>		
Due from subsidiaries - nominal amounts	3,804	17,100
	6,942	20,303
Less: Allowance for impairment	(3,804)	(17,100)
	3,138	3,203

### Movement in allowance accounts:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the financial year	161	68	17,100	16,965
Charge for the year	-	93	1,357	289
Reversal	-	-	(14,647)	-
Write off against other receivables	-	-	(6)	(154)
At end of the financial year	161	161	3,804	17,100

Sundry receivables that are individually determined to be impaired at the reporting date relate to debtors that are in legal disputes or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its sundry receivable balances on an account-by-account basis. Hence, all impairment losses are provided for specific sundry receivable balances. Management is of the opinion that there is no further factor that warrants the consideration of additional impairment losses on a collective basis.

# Notes to the Financial Statements

(Cont'd)

## 26. MARKETABLE SECURITIES

	Group and Company	
	2025	2024
	RM'000	RM'000

At fair value:

Held for trading investments		
Equity instrument		
- Quoted outside Malaysia	2	2

### Changes in fair value

During the financial year, there is no change to the fair value (2024: decrease of RM2,000) of the equity instruments.

## 27. DERIVATIVE ASSETS AND LIABILITIES

	Assets	Liabilities
	RM'000	RM'000

### As at 28 February 2025

Current	14	1
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### As at 29 February 2024

Current	21	-
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	2025		2024	
	Notional amount	Assets	Notional amount	Assets
	RM'000	RM'000	RM'000	RM'000

### Group

Forward currency contracts	869	13	596	21
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The Group uses forward foreign currency contracts to manage some of its transaction exposures. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with the exposures to currency translation and fair value changes. Such derivatives do not qualify for hedge accounting. The derivatives represent total financial assets and liabilities at fair value through profit or loss, classified as held for trading.

During the financial year, the Group recognised loss on forward foreign exchange contracts amounting to RM8,000 (2024: loss of RM8,000) arising from fair value changes of financial derivatives. The fair value changes are attributable to changes in foreign exchange and forward rates.

# Notes to the Financial Statements

(Cont'd)

## 28. CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash on hand and at banks	56,822	83,430	4,350	963
Deposits with licenced banks	220,343	155,163	2,754	11,168
	277,165	238,593	7,104	12,131

Cash at banks earns interest at floating rates based on daily bank deposit rates. Deposits with licenced banks are made for varying periods of between one day and one year (2024: one day and one year) depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective deposit rates. The effective interest rates for the Group and the Company were 1.72% to 3.29% (2024: 0.3% to 3.39%) per annum and 1.72% to 2.80% (2024: 0.3% to 3.1%) per annum, respectively.

Deposits with licenced banks of the Group and the Company amounting to RM11,519,000 (2024: RM10,251,000) and RM1,075,000 (2024: RM Nil) are pledged to banks for credit facilities granted to certain subsidiaries and the Company as disclosed in Note 32.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash on hand and at banks	56,822	83,430	4,350	963
Deposits with licenced banks	220,343	155,163	2,754	11,168
	277,165	238,593	7,104	12,131
Deposits with a licenced bank more than 3 months	(1,015)	–	–	–
Deposits pledged with licenced banks	(11,519)	(10,251)	(1,075)	–
Cash and cash equivalents	264,631	228,342	6,029	12,131

# Notes to the Financial Statements

(Cont'd)

## 29. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Trade payables</b>				
Third parties	35,785	57,222	-	-
<b>Other payables</b>				
Sundry payables	14,867	11,481	116	90
Sales and Service Tax ("SST") payable	20	12	-	-
Accruals	24,174	25,668	492	273
Deposits payable	5,443	2,654	-	-
Rental payable	350	1,081	-	-
Royalty payable	686	2,266	-	-
	45,540	43,162	608	363
Total trade and other payables	81,325	100,384	608	363
Less: SST payable	(20)	(12)	-	-
Total trade and other payables excluding SST payable	81,305	100,372	608	363
Add: Borrowings (Note 32)	72,177	80,577	56,968	64,986
Add: Lease liabilities (Note 33)	102,673	106,966	-	-
Total financial liabilities carried at amortised cost	256,155	287,915	57,576	65,349

### Trade payables

These amounts are non-interest bearing. The credit terms of trade payables normally range from 30 to 120 days (2024: 30 to 120 days).

### Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on an average term of 30 to 120 days (2024: 30 to 120 days).

# Notes to the Financial Statements

(Cont'd)

## 30. PROVISION FOR RESTORATION COSTS

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	704	870
Written off during the year	–	(166)
At end of the financial year	704	704
<b>Analysis of present value of restoration costs:</b>		
Later than 1 year and not later than 5 years	32	32
More than 5 years	672	672
Amount due after 12 months	704	704

Provision for restoration costs is recognised when the Group enters into a lease agreement for the premises and represents the estimated costs of asset dismantlement, removal or restoration of premises. The premises, which are capitalised and included in right-of-use assets and property, plant and equipment, shall be reinstated to the condition set out in the lease agreements upon the expiration of the lease agreements.

## 31. EMPLOYEE BENEFITS

The Group's defined benefit plan is unfunded and is only applicable to employees who are in the scope of the two Collective Agreements signed between the National Union of Transport Equipment and Allied Industries Workers and 3 subsidiaries of the Group.

The latest signed Collective Agreements are for the period from 1 March 2020 to 28 February 2023 and they shall subsist until superseded by new Collective Agreements.

Based on the latest signed Collective Agreements, employees who retire upon reaching the optional retirement age of 55 up to the mandatory retirement age of 60, retire on medical grounds as certified by the appointed Company Doctor, or employees who pass away while in the employ of the Group are eligible to receive the retirement benefit. This retirement benefit ceases with effect from 31 December 2016 and the benefit shall be calculated up to 31 December 2016 for eligible employees upon the employees retiring on attaining the retirement age.

The same Collective Agreements stated that in place of the above retirement benefit, eligible employees shall receive an additional 1% based on their basic salary, in respect of the Group's contribution to the Employees Provident Fund.

# Notes to the Financial Statements

(Cont'd)

## 31. EMPLOYEE BENEFITS (CONT'D)

(a) The amounts recognised in the statements of financial position are determined as follows:

	Group	
	2025 RM'000	2024 RM'000
Present value of unfunded obligations, representing recognised liability for defined benefit obligations	2,036	1,852
Analysed as:		
<b>Current</b>	702	514
<b>Non-current:</b>		
Later than 1 year but not later than 2 years	179	155
Later than 2 years but not later than 5 years	421	496
Later than 5 years	734	687
	1,334	1,338
Total employee benefits	2,036	1,852

(b) Movement in the net liability recognised in the statements of financial position:

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	1,852	2,139
Remeasurement loss/(gain) recognised in other comprehensive income	325	(20)
Benefits paid	(141)	(267)
At end of the financial year	2,036	1,852

# Notes to the Financial Statements

(Cont'd)

## 31. EMPLOYEE BENEFITS (CONT'D)

- (c) Principal actuarial assumptions used at the reporting date (expressed as weighted average):

	Group	
	2025 %	2024 %
Discount rate	4.3	4.0

- (d) A quantitative sensitivity analysis of the change in the rates as at 28 February 2025 and 29 February 2024 is shown below:

	Increase/ (decrease) %	Group Impact on defined benefit obligations	
		2025 RM'000	2024 RM'000
Discount rate	1.0	(70)	(107)
Discount rate	(1.0)	70	107

- (e) The expected benefit payments in future years are as follows:

	Group	
	2025 RM'000	2024 RM'000
Not later than 1 year	702	557
Later than 1 year and not later than 5 years	660	779
Later than 5 years and not later than 10 years	675	663
More than 10 years	392	419
	2,429	2,418

# Notes to the Financial Statements

(Cont'd)

## 32. BORROWINGS

	Maturity	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Current</b>					
Secured:					
Bankers' acceptances	2026	4,749	5,663	–	–
Revolving credit	2025	–	7,000	–	7,000
Term loans	2026	8,227	6,596	6,529	4,986
		12,976	19,259	6,529	11,986
Unsecured:					
Revolving credit	2026	10,000	10,000	10,000	10,000
		22,976	29,259	16,529	21,986
<b>Non-current</b>					
Secured:					
Revolving credit	2026-2030	–	43,000	–	43,000
Term loans	2027-2035	49,201	8,318	40,439	–
		49,201	51,318	40,439	43,000
Total borrowings		72,177	80,577	56,968	64,986
<b>Total borrowings</b>					
Bankers' acceptances		4,749	5,663	–	–
Revolving credits		10,000	60,000	10,000	60,000
Term loans		57,428	14,914	46,968	4,986
Total borrowings		72,177	80,577	56,968	64,986
<b>Maturity of borrowings</b>					
Not later than 1 year		22,976	29,259	16,529	21,986
Later than 1 year and not later than 5 years		32,677	33,656	26,115	28,000
More than 5 years		16,524	17,662	14,324	15,000
		72,177	80,577	56,968	64,986

# Notes to the Financial Statements

(Cont'd)

## 32. BORROWINGS (CONT'D)

The borrowings are secured by way of:

- fixed charges on certain properties of the Group with a net carrying amount of RM2,160,000 (2024: RM27,100,000);
- deposits with licenced banks of the Group and the Company amounting to RM11,519,000 (2024: RM10,251,000) and RM1,075,000 (2024: RM Nil);
- fixed and floating charges over all present and future assets of certain subsidiaries;
- corporate guarantees by the Company and by certain subsidiaries of the Group; and
- inventory properties of the Group amounting to RM Nil (2024: RM13,665,000).

### Bankers' acceptances

Bankers' acceptances bear interest ranging from 4.21% to 4.80% (2024: 4.34% to 4.81%) per annum. The bankers' acceptances are secured by corporate guarantees from certain subsidiaries of the Group.

### Term loans

Term loans bear interest at 1.2% to 1.85% per annum above cost of funds. The term loans are secured by certain investment properties of the Group, corporate guarantee by the Company and a deposit with licenced bank.

### Revolving credits

The unsecured revolving credit bears interest at 5.35% (2024: 5.30%) per annum. The secured revolving credit bore interest at 2% above cost of funds. The borrowing was secured by inventory properties of the Group and was fully refinanced during the financial year.

## 33. LEASE LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	106,966	104,067
Additions	1,683	8,121
Accretion of interest (Note 9)	6,934	7,219
Lease modification	70	-
Lease termination	(873)	(42)
Payments of:		
- Principal	(5,292)	(5,325)
- Interest	(6,815)	(7,074)
At end of the financial year	102,673	106,966
Analysed as:		
Current	7,071	5,156
Non-current	95,602	101,810
	102,673	106,966

The maturity analysis of lease liabilities are disclosed in Note 40(b).

# Notes to the Financial Statements

(Cont'd)

### 33. LEASE LIABILITIES (CONT'D)

The following are the amounts recognised in profit or loss:

	Group	
	2025 RM'000	2024 RM'000
Depreciation expense of right-of-use assets	9,392	9,780
Interest expense on lease liabilities	6,934	7,219
Impairment loss on right-of-use assets	219	84
Gain on lease modification	(790)	–
Loss/(Gain) on lease termination	1,876	(1)
Expenses relating to short-term leases	688	718
<b>Total amount recognised in profit and loss</b>	<b>18,319</b>	<b>17,800</b>

The Group had total cash outflows for leases of RM12,656,000 (2024: RM13,618,000) for the financial year ended 28 February 2025. The Group also had non-cash additions to right-of-use assets and lease liabilities of RM1,683,000 (2024: RM8,121,000) for the financial year ended 28 February 2025.

The future cash outflows which are not capitalised in lease liabilities:

#### Variable lease payments

The Group has lease contracts for retail stores that contain variable lease payments based on a percentage of sales generated by the stores, on top of fixed payments. The variable lease payments incurred and recognised in profit or loss amounted to RM52,000 (2024: RM581,000) for the financial year ended 28 February 2025.

### 34. SHARE CAPITAL

	Number of shares '000	Share capital (Issued and fully paid, at no par value) RM'000
<b>Group and Company</b>		
At 1 March 2024 and 28 February 2025	253,650	356,528
At 1 March 2023 and 29 February 2024	253,650	356,528

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

# Notes to the Financial Statements

(Cont'd)

## 35. OTHER RESERVE

Other reserve arises from changes in the Group's equity interest in subsidiaries.

	Group	
	2025 RM'000	2024 RM'000
At beginning of the financial year	(75,560)	(75,560)
Strike-off of subsidiaries	780	–
At end of the financial year	(74,780)	(75,560)

With the transactions above, the Company's equity interest in DFIL is 75.53% (2024: 75.53%) as at 28 February 2025.

## 36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 28 February 2025 and 29 February 2024 under the single tier system.

## 37. COMMITMENTS

### Capital commitments

	Group	
	2025 RM'000	2024 RM'000
Capital expenditure		
<u>Approved and contracted for:</u>		
Property, plant and equipment	7,921	3,573
Development return	–	9,500
<u>Approved but not contracted for:</u>		
Property, plant and equipment	11,482	5,693
	19,403	18,766

Included in capital expenditure in the previous year is RM9,500,000 in relation to the development return payable to the State Government of Johor and City Council of Johor. This amount was fully settled during the financial year and has been recognised in the financial statements as 'Development rights'.

# Notes to the Financial Statements

(Cont'd)

## 38. RELATED PARTY DISCLOSURES

### (a) Significant transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Acquisition of property and assets from BIP <sup>^</sup>	-	62,834	-	62,834
Dividend income from subsidiaries	-	-	(40,300)	(26,105)
Donation to Yayasan Harmoni <sup>*</sup>	1,150	350	-	-
Interest income from subsidiaries	-	-	(598)	(103)
Management fee charged by a subsidiary	-	-	1,450	1,900

<sup>\*</sup> Dato' Sri Adam Sani Bin Abdullah is the founder and executive chairman of Yayasan Harmoni, a non-profitable non-government organisation.

<sup>^</sup> Dato' Sri Adam Sani Bin Abdullah is deemed interested in BIP by virtue of his indirect interest in Chesterwood Ventures Limited, being the registered shareholder of BIP.

### (b) Compensation of key management personnel

The remuneration of certain directors and other members of key management during the financial year were as follows:

	Group	
	2025 RM'000	2024 RM'000
Short-term employee benefits	5,918	4,842
Defined contribution plan	487	466
	6,405	5,308

Included in the remuneration of total key management personnel are:

	Group	
	2025 RM'000	2024 RM'000
Directors' remuneration (excluding fees and benefits-in-kind)	2,902	1,759

# Notes to the Financial Statements

(Cont'd)

## 39. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (b) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of each class of assets and liabilities carried at fair value by level of fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>At 28 February 2025</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	2	–	–	2
Derivative assets (Note 27)	–	14	–	14
<hr/>				
<b>Non-financial assets:</b>				
Biological assets (Note 24)	–	–	213	213
<hr/>				
<b>Liabilities measured at fair value</b>				
<b>Financial liabilities:</b>				
Derivative liabilities (Note 27)	–	(1)	–	(1)
<hr/>				
<b>Assets for which fair values are disclosed</b>				
Investment properties (Note 14)	–	–	68,000	68,000
<hr/>				

# Notes to the Financial Statements

(Cont'd)

## 39. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (b) Fair value of assets and liabilities that are carried at fair value (Cont'd)

The following table shows an analysis of each class of assets and liabilities carried at fair value by level of fair value hierarchy (Cont'd):

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>At 29 February 2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	2	–	–	2
Derivative assets (Note 27)	–	21	–	21
<b>Non-financial assets:</b>				
Biological assets (Note 24)	–	–	170	170
<b>Assets for which fair values are disclosed</b>				
Investment properties (Note 14)	–	–	70,398	70,398
<b>Company</b>				
<b>At 28 February 2025</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	2	–	–	2
<b>At 29 February 2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	2	–	–	2

# Notes to the Financial Statements

(Cont'd)

## 39. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (c) Level 1 fair value measurements

Marketable securities (Note 26): Fair value is determined directly by reference to their published market bid price at the reporting date (Level 1).

### (d) Level 2 fair value measurements

Derivatives (Note 27): Forward currency contracts are valued using a valuation technique with market observable inputs (Level 2). The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

### (e) Level 3 fair value measurements

The following is a description of the fair value measurements using significant unobservable inputs (Level 3):

Biological assets (Note 24): The fair values of bearer fruits are determined by using the total sales figure in the following month with the assumption that of all the fruits harvested are sold subsequently to the customer.

### (f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value:

	Note
Trade and other receivables (current)	25
Trade and other payables (current)	29
Borrowings (current)	32

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amounts due from/(to) holding company, subsidiaries and a related company and finance lease obligations.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group and by the Company. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been, throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's credit risk is primarily attributable to trade receivables.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Credit risk (Cont'd)

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the customer
- Significant increases in credit risk on other financial instruments of the same customer
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of borrowers in the group and changes in the operating results of the customer

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

A summary of the Group's basis for recognition of the Group's expected credit loss ("ECL") for trade receivables, debt securities and other receivable is as follows:

Assets classifications	Basis for recognition of expected credit loss provision
Trade receivables	Lifetime ECL (simplified approach)
Debt securities	12-month ECL
Other receivables	12-month ECL
Due from Berjaya Waterfront Sdn. Bhd.	Lifetime ECL

The gross carrying amount of trade and other receivables are disclosed in Note 25.

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Credit risk (Cont'd)

#### Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 28 February 2025 and 29 February 2024 incorporates forward looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix.

28 February 2025	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
Gross carrying amount	22,244	108	636	463	23,451
Loss allowance provision	–	–	–	(130)	(130)

29 February 2024	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
Gross carrying amount	31,469	374	1,019	1,678	34,540
Loss allowance provision	–	–	–	(308)	(308)

#### Debt securities and other receivables

The Company's debt securities at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers 'low credit risk' for the debt securities when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

As for other receivables including amount due from Berjaya Waterfront Sdn. Bhd., the Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in. The Group measured the impairment loss allowance using general approach of ECL and determined that the ECL is insignificant.

#### Excessive risk concentration

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets, except for the amount due from Berjaya Waterfront Sdn. Bhd. as described in Note 25.

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) Credit risk (Cont'd)

#### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- Nominal amount of RM87,400,000 (2024: RM87,400,000) relating to corporate guarantees provided by the Company as securities for banking facilities to certain subsidiaries.

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

	Group			
	2025 RM'000	% of total	2024 RM'000	% of total
<b>By business segments:</b>				
Property and hospitality	373	2%	520	2%
Trading of duty free goods, dutable and non-dutable merchandise	382	2%	1,380	4%
Automotive	22,566	96%	32,332	94%
	23,321	100%	34,232	100%

#### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 25.

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

As at 28 February 2025, the Group's holdings of cash and short-term deposits amounting to RM264,631,000 (2024: RM228,342,000) are expected to be sufficient for working capital purposes as well as meet its on-going financial commitments in the next financial year.

### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	← 2025 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	52,219	–	–	52,219
Derivative assets	14	–	–	14
Cash and bank balances	277,165	–	–	277,165
<b>Total undiscounted financial assets</b>	<b>329,398</b>	<b>–</b>	<b>–</b>	<b>329,398</b>
<b>Financial liabilities:</b>				
Trade and other payables	81,305	–	–	81,305
Borrowings	25,790	40,344	18,379	84,513
Lease liabilities	13,644	57,069	81,961	152,674
<b>Total undiscounted financial liabilities</b>	<b>120,739</b>	<b>97,413</b>	<b>100,340</b>	<b>318,492</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>208,659</b>	<b>(97,413)</b>	<b>(100,340)</b>	<b>10,906</b>

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) Liquidity risk (Cont'd)

#### Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Cont'd).

	← 2025 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Company</b>				
<b>Financial assets:</b>				
Other receivables	3,143	–	–	3,143
Cash and bank balances	7,104	–	–	7,104
<b>Total undiscounted financial assets</b>	<b>10,247</b>	<b>–</b>	<b>–</b>	<b>10,247</b>
<b>Financial liabilities:</b>				
Other payables	608	–	–	608
Borrowings	18,868	32,655	16,042	67,565
<b>Total undiscounted financial liabilities</b>	<b>19,476</b>	<b>32,655</b>	<b>16,042</b>	<b>68,173</b>
<b>Total net undiscounted financial liabilities</b>	<b>(9,229)</b>	<b>(32,655)</b>	<b>(16,042)</b>	<b>(57,926)</b>

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) Liquidity risk (Cont'd)

#### Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Cont'd).

	← 2024 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	73,383	–	–	73,383
Derivative assets	21	–	–	21
Cash and bank balances	238,593	–	–	238,593
<b>Total undiscounted financial assets</b>	<b>311,997</b>	<b>–</b>	<b>–</b>	<b>311,997</b>
<b>Financial liabilities:</b>				
Trade and other payables	100,372	–	–	100,372
Borrowings	32,489	47,633	11,309	91,431
Lease liabilities	11,898	61,678	90,016	163,592
<b>Total undiscounted financial liabilities</b>	<b>144,759</b>	<b>109,311</b>	<b>101,325</b>	<b>355,395</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>167,238</b>	<b>(109,311)</b>	<b>(101,325)</b>	<b>(43,398)</b>

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) Liquidity risk (Cont'd)

#### Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Cont'd).

	← 2024 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Company</b>				
<b>Financial assets:</b>				
Other receivables	3,207	–	–	3,207
Cash and bank balances	12,131	–	–	12,131
<b>Total undiscounted financial assets</b>	<b>15,338</b>	<b>–</b>	<b>–</b>	<b>15,338</b>
<b>Financial liabilities:</b>				
Other payables	363	–	–	363
Borrowings	24,768	41,281	8,038	74,087
<b>Total undiscounted financial liabilities</b>	<b>25,131</b>	<b>41,281</b>	<b>8,038</b>	<b>74,450</b>
<b>Total net undiscounted financial liabilities</b>	<b>(9,793)</b>	<b>(41,281)</b>	<b>(8,038)</b>	<b>(59,112)</b>

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flows interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

#### Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's and of the Company's profit/(loss) before tax (mainly through the impact on interest expense on floating rate loans and borrowings). The assumed movement in the basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	Increase/ (Decrease) in basis points	Effect on profit before tax RM'000
<b>Group</b>		
<b>28 February 2025</b>		
Ringgit Malaysia	+10	100
Ringgit Malaysia	-10	(100)
Singapore Dollar	+10	2
Singapore Dollar	-10	(2)
<b>29 February 2024</b>		
Ringgit Malaysia	+10	37
Ringgit Malaysia	-10	(37)
Singapore Dollar	+10	10
Singapore Dollar	-10	(10)

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (c) Interest rate risk (Cont'd)

#### Sensitivity analysis for interest rate risk (Cont'd)

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's and of the Company's profit/(loss) before tax (mainly through the impact on interest expense on floating rate loans and borrowings). The assumed movement in the basis points for interest rate sensitivity analysis is based on the currently observable market environment (Cont'd).

	Increase/ (Decrease) in basis points	Effect on (loss)/profit before tax RM'000
<b>Company</b>		
<b>28 February 2025</b>		
Ringgit Malaysia	+10	(56)
Ringgit Malaysia	-10	56
Singapore Dollar	+10	2
Singapore Dollar	-10	(2)
<b>29 February 2024</b>		
Ringgit Malaysia	+10	(64)
Ringgit Malaysia	-10	64
Singapore Dollar	+10	10
Singapore Dollar	-10	(10)

### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the Group's functional currency. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Singapore Dollar ("SGD"), Thai Baht ("THB"), Indonesian Rupiah ("IDR"), Japanese Yen ("JPY"), Chinese Yuan ("CNY") and Great British Pound ("GBP"). Approximately 36% (2024: 34%) of the Group's purchases are denominated in foreign currencies. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and cash equivalents denominated in USD, GBP and SGD for working capital purposes.

# Notes to the Financial Statements

(Cont'd)

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (d) Foreign currency risk (Cont'd)

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the USD, SGD, THB, IDR, JPY, CNY and GBP exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2025 RM'000	2024 RM'000
<b>Group</b>			
USD/RM	- strengthened 3% (2024: 3%)	34	264
	- weakened 3% (2024: 3%)	(34)	(264)
SGD/RM	- strengthened 3% (2024: 3%)	(335)	313
	- weakened 3% (2024: 3%)	335	(313)
THB/RM	- strengthened 3% (2024: 3%)	(76)	(83)
	- weakened 3% (2024: 3%)	76	83
IDR/RM	- strengthened 3% (2024: 3%)	(25)	(73)
	- weakened 3% (2024: 3%)	25	73
JPY/RM	- strengthened 3% (2024: 3%)	(49)	(316)
	- weakened 3% (2024: 3%)	49	316
CNY/RM	- strengthened 3% (2024: 3%)	(23)	(33)
	- weakened 3% (2024: 3%)	23	33
GBP/RM	- strengthened 3% (2024: 3%)	11	5
	- weakened 3% (2024: 3%)	(11)	(5)
SGD/USD	- strengthened 3% (2024: 3%)	(2)	(12)
	- weakened 3% (2024: 3%)	2	12
<b>Company</b>			
SGD/RM	- strengthened 3% (2024: 3%)	50	305
	- weakened 3% (2024: 3%)	(50)	(305)

There is no impact expected arising from the equity/other comprehensive income of the Group and the Company arising from any reasonable possible change in the foreign exchange rates as at 28 February 2025 and 29 February 2024.

# Notes to the Financial Statements

(Cont'd)

## 41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year under review.

The Group monitors capital using a gearing ratio, which is total external debt divided by total capital.

The Group ensures that the gearing ratio shall not be more than 1.0 times to comply with covenants from its borrowings.

The Group includes within total external debt, all financial borrowings of the Group. Total external debt due and payable within 12 months consists of bankers' acceptances, bank overdrafts, term loans, revolving credit and interest payable. Capital includes equity attributable to owners of the parent and non-controlling interests.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total external debt	72,177	80,577	56,968	64,986
Total equity	527,206	507,469	437,573	651,906
Gearing ratio (times)	0.14	0.16	0.13	0.10

# Notes to the Financial Statements

(Cont'd)

## 42. SEGMENT INFORMATION

### (a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services. The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented. 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.

### (b) Business segments

The Group comprises the following main business segments:

- (i) Investment holding;
- (ii) Property and hospitality;
- (iii) Trading of duty free goods, dutiable and non-dutiable merchandise; and
- (iv) Automotive.

Other business segments mainly consist of provision of corporate services, dormant and inactive companies, none of which are of a sufficient size to be reported separately.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

### (c) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The directors are of the opinion that transfer prices between business segments are based on negotiated prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

# Notes to the Financial Statements

(Cont'd)

## 42. SEGMENT INFORMATION (CONT'D)

2025

	Investment holding RM'000	Property and hospitality RM'000	Trading of dutiable and non-dutiable merchandise RM'000	Automotive RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
<b>Revenue:</b>								
External customers	3,693	43,336	155,863	252,202	21	-	A	455,115
Inter-segment	40,898	660	-	-	7,700	(49,258)		-
<b>Total revenue</b>	<b>44,591</b>	<b>43,996</b>	<b>155,863</b>	<b>252,202</b>	<b>7,721</b>	<b>(49,258)</b>		<b>455,115</b>
<b>Results:</b>								
Depreciation and amortisation	-	(5,793)	(10,073)	(7,358)	(394)	481		(23,137)
Gain arising from changes in fair value of biological assets	-	43	-	-	-	-		43
Share of results of an associate	134	-	-	-	-	-		134
Impairment loss on right-of-use assets	-	-	(219)	-	-	-		(219)
Impairment loss on property, plant and equipment	-	-	(109)	-	-	-		(109)
Impairment loss on goodwill	(968)	-	-	-	-	-		(968)
Other non-cash expenses	-	(5)	(3,309)	(24)	-	-	B	(3,338)
Segment (loss)/profit	(7,899)	(1,910)	74,923	31,964	(6,738)	(10,756)	C	79,584
<b>Assets:</b>								
Investment in an associate	501	-	-	-	-	-		501
Additions to non-current assets	-	1,160	1,062	9,641	116	-	D	11,979
Segment assets	108,021	213,010	297,275	159,923	2,732	15,289	E	796,250
<b>Liabilities:</b>								
Segment liabilities	1,784	13,249	114,469	54,235	3,002	82,305		269,044

# Notes to the Financial Statements

(Cont'd)

## 42. SEGMENT INFORMATION (CONT'D)

2024

	Investment holding RM'000	Property and hospitality RM'000	Trading of dutiable and non-dutiable goods, merchandise RM'000	Automotive RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
<b>Revenue:</b>								
External customers	4,048	30,980	156,805	261,725	2	–	A	453,560
Inter-segment	26,208	655	–	–	6,500	(33,363)		–
Total revenue	30,256	31,635	156,805	261,725	6,502	(33,363)		453,560
<b>Results:</b>								
Depreciation and amortisation	–	(5,575)	(10,529)	(6,795)	(388)	478		(22,809)
Loss arising from changes in fair value of biological assets	–	(8)	–	–	–	–		(8)
Share of results of an associate	67	–	–	–	–	–		67
Impairment loss on right-of-use assets	–	(84)	–	–	–	–		(84)
Other non-cash expenses	–	–	443	(832)	–	–	B	(389)
Segment profit/(loss)	6,874	(1,941)	19,383	27,067	(6,298)	(11,698)	C	33,387
<b>Assets:</b>								
Investment in an associate	367	–	–	–	–	–		367
Additions to non-current assets	–	909	2,193	9,875	171	–	D	13,148
Segment assets	106,848	226,836	278,115	178,062	1,904	16,214	E	807,979
<b>Liabilities:</b>								
Segment liabilities	1,118	11,041	124,765	72,400	582	90,604	F	300,510

# Notes to the Financial Statements

(Cont'd)

## 42. SEGMENT INFORMATION (CONT'D)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:

	Note	2025 RM'000	2024 RM'000
Reversal of impairment loss on receivables	5	73	57
Impairment loss on receivables	8	(16)	(116)
Inventories written down	8	(942)	(1,369)
Inventories written off	8	–	(124)
Inventories written back	5	1,165	1,138
Property, plant and equipment written off	8	(1,757)	(44)
(Loss)/Gain on lease termination	8	(1,876)	1
Deposit forfeited	5	15	68
		(3,338)	(389)

C The following items are deducted from segment profit/(loss) to arrive at "Profit before tax" presented in the income statements:

	2025 RM'000	2024 RM'000
Share of results of an associate	(134)	(67)
Finance costs	10,890	11,765
	10,756	11,698

D Additions to non-current assets consist of:

	2025 RM'000	2024 RM'000
Property, plant and equipment	11,923	13,133
Investment properties	56	15
	11,979	13,148

# Notes to the Financial Statements

(Cont'd)

## 42. SEGMENT INFORMATION (CONT'D)

- E The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	2025 RM'000	2024 RM'000
Investment in an associate	501	367
Deferred tax assets	7,895	8,397
Tax recoverable	6,893	7,450
	15,289	16,214

- F The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:

	2025 RM'000	2024 RM'000
Deferred tax liabilities	9,223	8,847
Tax payable	905	1,180
Borrowings	72,177	80,577
	82,305	90,604

## 43. SIGNIFICANT AND SUBSEQUENT EVENTS

- (a) On 10 September 2024, Duty Free International Limited (“DFIL”) announced that its 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, 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. Barring any unforeseen circumstances, the Proposed Joint Development is expected to commence in the third quarter of 2025.

On 19 March 2025, the Proposed Joint Development was duly approved by DFIL’s shareholders at the Extraordinary General Meeting. The land title registration was completed, with ownership officially transferred to KMSB on 10 March 2025.

# Notes to the Financial Statements

(Cont'd)

## 43. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

- (b) On 26 September 2024, the wholly owned subsidiaries of DFIL, Cergasjaya Sdn. Bhd. ("Cergasjaya") and Cergasjaya Properties Sdn. Bhd. ("CPPA") received 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"):
- Lot 1683, Bukit Kayu Hitam, Kubang Pasu District, Kedah, measuring 4.44 acres, 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.
  - Lot 61677 (previously PT2209), measuring 2.57 acres, leased by CPPA 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.

On 6 November 2024, the land acquisition enquiry hearing was conducted and the Land Administrator had made an oral compensation award of RM69.6 million for Lot 1683 and Lot 61677. On 12 November 2024, two formal Notice of Award in Form H were served on Cergasjaya and CPPA.

On 18 November 2024, KDN made payments of RM67.8 million and RM1.8 million to Cergasjaya and CPPA respectively in accordance to the compensation awarded under the respective Forms H. Subsequently, on 21 November 2024 and 24 November 2024, Cergasjaya and CPPA received the respective Form 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. Cergasjaya and CPPA incurred expenses related to Compulsory Land Acquisition amounting to RM8.6 million, which included termination benefits, professional fees, impairment, and write-off of assets.

As the Group was dissatisfied with the compensation awarded by KDN, on 15 December 2024, Cergasjaya and CPPA filed an objection by way of a land reference to the High Court in Form N in accordance with s.37 and s.38(1) of LAA to the Land Administrator. The Land Administrator shall refer the matter to the Court by a reference in Form O within six months from the date of receipt of Form N.

The Group remains committed to safeguarding its interests and ensuring that the compensation adequately reflects the impact on all affected lands and associated business assets. As the land reference proceeding is still ongoing, the Group is unable to fully quantify the financial impact of the Compulsory Land Acquisition at this juncture until the conclusion of the land reference proceeding in the High Court.

- (c) On 3 April 2025, the wholly owned subsidiary of the Company, UVI Advance Technology Sdn. Bhd. ("UVIAT") formed a joint venture company with DaiSheng Technology (Suzhou) Co. Ltd. ("DTSC") known as United DaiSheng Technology Industries Sdn. Bhd. ("UDTI"). UDTI was incorporated in Malaysia and registered with Suruhanjaya Syarikat Malaysia with an issued and paid-up share capital of RM1,000 divided into 1,000 shares of RM1 each held by UVIAT and DTSC in the ratio of 50:50 respectively.

The principal activity of UDTI is manufacturing parts and accessories for motor vehicles.

# Analysis of Shareholdings

as at 16 May 2025

## Directors' Direct and Deemed Interests in the Company and/or its subsidiary companies

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 the Directors' interests in the Company and its subsidiaries are as follows:-

Name	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Dato' Sri Adam Sani Bin Abdullah	–	–	135,819,214 <sup>(1)</sup>	53.55

### Notes:-

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

## LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 16 MAY 2025 (As shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Chesterfield Trust Company Limited as Trustees of The Lim Family Trust	–	–	135,819,214 <sup>(1)</sup>	53.55
Lim Family Holdings Limited	–	–	135,819,214 <sup>(2)</sup>	53.55
Distinct Continent Sdn. Bhd.	83,220,340	32.81	–	–
Alpretz Capital Sdn. Bhd.	52,598,874	20.74	–	–
Dato' Sri Adam Sani Bin Abdullah	–	–	135,819,214 <sup>(3)</sup>	53.55
Berjaya Corporation Berhad	44,200,000	17.43	23,083,600 <sup>(4)</sup>	9.10
Juara Sejati Sdn Bhd	13,900,000	5.48	5,650,000 <sup>(5)</sup>	2.23
Berjaya Group Berhad	–	–	23,083,600 <sup>(6)</sup>	9.10

### Notes:-

- (1) Deemed interested through Lim Family Holdings Limited in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- (2) Deemed interested through Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- (3) Deemed interested held through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of himself being the Settlor, initial Protector and a primary beneficiary of Trust.
- (4) Deemed interested by virtue of its interest in Inter-Pacific Capital Sdn Bhd., Berjaya Philippines Inc., Juara Sejati Sdn. Bhd., Teras Mewah Sdn. Bhd. and REDTone Digital Berhad.
- (5) Deemed interested by virtue of his interest in Inter-Pacific Capital Sdn. Bhd., Berjaya Philippines Inc. and REDTone Digital Berhad.
- (6) Deemed interested by virtue of its interest in Inter-Pacific Capital Sdn. Bhd., Berjaya Philippines Inc., Juara Sejati Sdn. Bhd., Teras Mewah Sdn. Bhd. and REDTone Digital Berhad.

# Analysis of Shareholdings

(Cont'd)

## ANALYSIS OF SHAREHOLDINGS AS AT 16 MAY 2025

Class of Shares : Ordinary shares

Voting Rights : One (1) vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS AS AT 16 MAY 2025

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	200	18.71	4,712	0.00
100 – 1,000	324	30.31	114,994	0.05
1,001 – 10,000	385	36.01	1,339,097	0.53
10,001 – 100,000	96	8.98	2,903,231	1.14
100,001 to less than 5% of issued shares	59	5.52	145,398,258	57.32
5% and above of issued shares	5	0.47	103,890,117	40.96
<b>TOTAL</b>	<b>1,069</b>	<b>100.00</b>	<b>253,650,409</b>	<b>100.00</b>

## THIRTY (30) LARGEST SHAREHOLDERS AS AT 16 MAY 2025

Name of Shareholders	No. of Shares Held	%
1. Distinct Continent Sdn. Bhd.	41,852,367	16.50
2. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	16,700,000	6.58
3. ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd. (Adam Sani)	16,337,750	6.44
4. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	14,500,000	5.72
5. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd. (Third Party)	14,500,000	5.72
6. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd.	10,530,223	4.15
7. Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. - IP Credits For Alpretz Capital Sdn. Bhd.	10,500,000	4.14
8. RHB Nominees (Tempatan) Sdn. Bhd. - Bank Of China (Malaysia) Berhad Pledged Securities Account For Berjaya Corporation Berhad	10,500,000	4.14
9. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	9,400,000	3.71
10. Lembaga Tabung Angkatan Tentera	8,912,300	3.51

# Analysis of Shareholdings

(Cont'd)

## THIRTY (30) LARGEST SHAREHOLDERS AS AT 16 MAY 2025 (CONT'D)

Name of Shareholders	No. of Shares Held	%
11. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Kar Beau	8,577,000	3.38
12. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	8,264,061	3.26
13. AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Juara Sejati Sdn. Bhd.	5,400,000	2.13
14. Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	5,000,000	1.97
15. RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Juara Sejati Sdn. Bhd.	5,000,000	1.97
16. Phoon Ching Heong	3,995,554	1.58
17. CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	3,970,000	1.57
18. Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teras Mewah Sdn. Bhd.	3,533,000	1.39
19. CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Juara Sejati Sdn. Bhd.	3,500,000	1.38
20. Berjaya Corporation Berhad	3,161,000	1.25
21. Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. - Berjaya Philippines Inc.	3,100,000	1.22
22. RHB Nominees (Tempatan) Sdn. Bhd. - OSK Capital Sdn Bhd for Berjaya Corporation Berhad	3,059,000	1.21
23. CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	3,000,000	1.18
24. AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Berjaya Corporation Berhad	2,930,000	1.16
25. Alpretz Capital Sdn. Bhd.	2,634,813	1.04
26. Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. - Exempt an for Berjaya Mutual Berhad	2,500,000	0.99
27. Chew Soo Lin	2,340,834	0.92
28. RHB Nominees (Tempatan) Sdn. Bhd. - Bank of China (Malaysia) Berhad Pledged Securities Account for Inter-Pacific Capital Sdn. Bhd.	2,000,000	0.79
29. AMSEC Nominees (Tempatan) Sdn. Bhd - Pledged Securities Account – Ambank (M) Berhad for Berjaya Corporation Berhad	1,900,000	0.75
30. UOB Kay Hian Nominees (Asing) Sdn. Bhd. - Pledged Securities Account for Chew Soo Lin	1,502,132	0.59

# List of Properties

for financial year ended 28 February 2025

Location	Description	Existing Use	Tenure / Expiry Date	Age of Building Years	Approx Areas Sq Metre	Net Book Value as at 28 February 2025 RM'mil	Date of Acquisition
1 Lot No. 1, Section 63, Town of Kuala Lumpur, Wilayah Persekutuan	Office building, hotel apartment building and building under construction	Registered office, office block for rent and hotel apartments for letting	Leasehold (60 years - expiring 2038) renewable for a further 30 years	Office building (39), Hotel apartment (28)	18,701.20	34.64	1982
2 Lot PT 482 HS(M) 19/1981, Mukim Sungai Laka, Daerah Kubang Pasu, Kedah Darul Aman	Double storey shophouse	Vacant	Leasehold (99 years - expiring 2080)	38	297.00	0.05	1987
3 Lot 127-142 & 169-174, PT 1889-1904 & 1931-1936, HS(M) 135/1989-150/1989 & 177/1989-182/1989, Bandar Baru Laka Temin, Mukim Sungai Laka, Daerah Kubang Pasu, Kedah Darul Aman	22 units single storey terrace house	Staff quarters	Leasehold (99 years - expiring 2088)	32	3,216.00	-	1996
4 Lot 475, Seksyen 1, Bandar Batu Ferringhi, Daerah Timur Laut, Pulau Pinang	Vacant land	Vacant land	Freehold	N/A	2,346.00	-	2003
5 Lot 3688, 3689 & 61678, Bukit Kayu Hitam, Mukim Sungai Laka, Daerah Kubang Pasu, Kedah Darul Aman	Vacant land, part of which is Golf and Country Club	Rented out and partly cultivated with oil palms	Leasehold (60 years - expiring 2053 and 2057)	27	3,127,220.00	32.43	1993 & 1997
6 Lot 44 Premises No. 42/1/2&3, Kompleks Munshi Abdullah, Jalan Munshi Abdullah, 75100 Melaka	4 & 1/2 storey shophouse	Vacant	Leasehold (99 years - expiring 2102)	40	522.00	0.36	1992

# List of Properties

(Cont'd)

Location	Description	Existing Use	Tenure / Expiry Date	Age of Building Years	Approx Areas Sq Metre	Net Book Value as at 28 February 2025 RM'mil	Date of Acquisition
7 Lot 4720, Mukim Titi Tinggi, 2 Jalan Baru Sadao, 02100 Padang Besar, Perlis	Store	Store	Leasehold (60 years - expiring 2054)	31	9,474.00	8.38	1994
8 Lot 3548, Mukim Titi Tinggi, 2 Jalan Baru Sadao, 02100 Padang Besar, Perlis	Warehouse annexed to a single storey shopping complex	Duty Free Complex and warehouse	Leasehold (60 years - expiring 2050)	33	14,658.00		1990
9 Lot 2063, Mukim Titi Tinggi, Padang Besar, 30 Bangunan PKENPs, Jalan Besar, 02100 Padang Besar, Perlis	Double storey shophouse	Rented out	Freehold	38	112.00	0.13	1990
10 Shop Lot Nos 47 & 48, Mukim Titi Tinggi, Padang Besar, 3D & 4D Kompleks Arked Niaga PKENPs, 02100 Padang Besar, Perlis	Shoplot	Rented out	Leasehold (99 years - expiring 2084)	35	59.46	0.21	1990
11 PN 108045, Lot 4858, Mukim Pengkalan Hulu, District of Hulu Perak, Perak Darul Ridzuan	Duty Free Complex	Duty Free Complex	Leasehold (60 years - expiring 2114)	35	10,116.00	7.81	1990
12 Lot No. 5017, Mukim Kapar, District of Klang, Selangor Darul Ehsan	Industrial premises	Factories, office and ancillary buildings	Freehold	21 - 40	12,140.55	15.11	1982
13 Lot No PT 54753, Mukim Kapar, District of Klang, Selangor Darul Ehsan	Industrial premises	Factory, office and warehouse	Freehold	21 - 46	24,281.00	13.63	1979

# List of Properties

(Cont'd)

Location	Description	Existing Use	Tenure / Expiry Date	Age of Building Years	Approx Areas Sq Metre	Net Book Value as at 28 February 2025 RM'mil	Date of Acquisition
14 8 Persiaran Kampung Jawa, No Hakmilik 6711, Lot 9891, Mukim 12, Daerah Barat Daya, Pulau Pinang	Factory land and building	Business and office premises	Leasehold (99 years expiring 2113)	27	4,354.00	4.41	2002
15 Pajakan Negeri No 3839, Lot no 11618, Mukim 12, Daerah Barat Daya, Pulau Pinang	Factory land	Business and office premises	Leasehold (99 years expiring 2111)	N/A	1,106.00		2001
16 PS 1641-A, Kawasan Perindustrian Pulau Sebang, 78000 Alor Gajah, Melaka	A single-storey open-sided detached factory	Factory	Leasehold (99 years expiring on 23 Oct 2100)	9	2,323.04	2.16	2017
17 Lot 204-5A forming part and parcel of land held under HS(D) 23110 PT 2223, Mukim Pegoh, Daerah Alor Gajah, Negeri Melaka	Freehold industrial land	Factory	Freehold	6	5,312.95	14.72	2019
18 Pentewan Road, Tregorrick, St Austell, Cornwall, PL26 7AB UK	65 bedroom hotel with food and beverage and spa facilities, set in a wooded parkland	Hospitality & leisure	Freehold	15	Buildings - 5,256 Land - 121,406	62.09	2023

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Thirty-Sixth Annual General Meeting (“36<sup>th</sup> AGM”) of Atlan Holdings Bhd. (“Company”) will be held at the Meeting Room, Wisma Atlan, 8 Persiaran Kampung Jawa, 11900 Bayan Lepas, Penang on Thursday, 17 July 2025 at 11:00 a.m. for the following purposes: -

## AGENDA

### As Ordinary Business: -

- |   |  |
|---|--|
| <p>1. To receive the Audited Financial Statements for the financial year ended 28 February 2025 together with the Reports of the Directors and Auditors thereon.</p>  | <p><i>(Please refer to Explanatory Note 2)</i></p>                         |
| <p>2. To re-elect the following Directors who retire by rotation pursuant to Regulation 100 of the Company’s Constitution and being eligible, have offered themselves for re-election: -</p> <p style="margin-left: 20px;">a) Dato’ Sri Adam Sani bin Abdullah<br/>b) Dato’ Sri Robin Tan Yeong Ching<br/>c) Tan Thiam Chai</p> | <p><b>Resolution 1</b><br/><b>Resolution 2</b><br/><b>Resolution 3</b></p> |
| <p>3. To approve the payment of Directors’ fees amounting to RM215,000 for the financial year ended 28 February 2025.</p>   | <p><b>Resolution 4</b></p>   |
| <p>4. To approve the payment of Directors’ benefits up to an amount of RM200,000 for the period commencing from 18 July 2025 until the date of the next Annual General Meeting of the Company to be held in year 2026.</p>  | <p><b>Resolution 5</b></p>   |
| <p>5. To re-appoint Messrs. Ernst &amp; Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.</p>   | <p><b>Resolution 6</b></p>   |
| <p>6. To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.</p>   |  |

### As Special Business: -

- |   |                            |
|---|----------------------------|
| <p>7. <b>Ordinary Resolution</b><br/><b>Authority to issue shares pursuant to Companies Act 2016 and Waiver of Pre-emptive Rights</b></p> | <p><b>Resolution 7</b></p> |
|---|----------------------------|

“**THAT** subject always to the Companies Act 2016 (the “Act”), the Company’s Constitution, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) and any relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being;

# Notice of Annual General Meeting

(Cont'd)

**THAT** pursuant to Section 85 of the Act to be read together with Regulation 70 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to Section 75 and 76 of the Act;

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

8. **Ordinary Resolution**

**Resolution 8**

**Mandate for Dato' Woo Hon Kong who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company**

“**THAT** Dato' Woo Hon Kong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company up to 15 May 2026 in accordance with the Malaysian Code on Corporate Governance.”

By Order of the Board,

**CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)**  
**POH MING YI (SSM PC No. 202408000861) (LS0010863)**  
Company Secretaries

Date: 18 June 2025

**EXPLANATORY NOTES: -**

**1) Information for Shareholders/Proxies**

- 1.1 For the purpose of determining who shall be entitled to participate and vote at this Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Regulation 77(b) of the Company's Constitution and Paragraph 7.16(2) of the Bursa Securities MMLR, a Record of Depositors as at **11 July 2025** (“General Meeting Record of Depositors”) and a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote in the 36<sup>th</sup> AGM.
- 1.2 A member of the Company entitled to participate and vote at the 36<sup>th</sup> AGM is entitled to appoint more than one (1) proxy to participate, speak and vote in his/her stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 36<sup>th</sup> AGM.
- 1.3 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

# Notice of Annual General Meeting

(Cont'd)

- 1.4 The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- 1.5 Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- 1.6 Where a member of the Company is an Exempt Authorised Nominee (“EAN”) which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (“Omnibus Account”), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds.
- 1.7 Pursuant to Paragraph 8.29A of Bursa Securities MMLR, all resolutions set out in the Notice of the 36<sup>th</sup> AGM will be put to vote by way of a poll.
- 1.8 The appointment of proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the 36<sup>th</sup> AGM or any adjournment thereof:-
- a) In Hardcopy Form
- The instrument appointing a proxy must be deposited at the office of the Company’s Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
- b) By Electronic Means
- The Form of Proxy may also be electronically lodged by email to [info@sshbs.com.my](mailto:info@sshbs.com.my) or by fax to +603-2094 9940.

## 2) Item 1 of the Agenda - Audited Financial Statements for the financial year ended 28 February 2025

The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders’ approval and hence, will not be put forward for voting.

## 3) Resolutions 1, 2 and 3 : Re-election of Directors who retire by rotation pursuant to Regulation 100 of the Company’s Constitution

Regulation 100 of the Company’s Constitution states that one-third (1/3) of the Directors shall retire by rotation from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nomination Committee (“NC”) has considered the following: -

- i. Evaluation of the effectiveness of the Individual Directors, the Board as a whole and all Board Committees; and
- ii. For Independent Non-Executive Directors (“INEDs”) only, the level of independence demonstrated by the INEDs and their ability to act in the best interests of the Company.

# Notice of Annual General Meeting

(Cont'd)

In line with Practice 6.1 of the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of the Directors of the Company based on the relevant performance criteria which include the following: -

- i. Board mix and composition;
- ii. Quality of information and decision making;
- iii. Boardroom activities;
- iv. Board's relationship with the management.

The Board approved the NC's recommendation for the re-election of the retiring Directors pursuant to Regulation 100 of the Company's Constitution at the 36<sup>th</sup> AGM of the Company. At the relevant Board meeting, all the retiring Directors under Regulation 100 of the Company's Constitution have consented to their re-election and abstained from deliberation as well as from decision on their own eligibility to stand for re-election.

#### 4) Resolutions 4 and 5 : Payment of Directors' fees and Directors' benefits made payable to the Directors

Section 230(1) of the Act provides among others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at the 36<sup>th</sup> AGM for the payment of benefits payable to the Non-Executive Directors for the period commencing from 18 July 2025 until the date of the next AGM of the Company to be held in year 2026.

The Board wishes to seek for shareholders' approval at the 36<sup>th</sup> AGM for the payment of Directors' fees and benefit payable to the Directors: -

- i) Resolution 4 on the proposed Directors' fees of RM215,000 for the financial year ended 28 February 2025 ("FY2025").

For FY2025, the Board had at its meeting held on 24 April 2025 agreed on the proposed Directors' fees of RM200,000 for FY2025. (financial year ended 28 February 2024: RM215,000).

- ii) Resolution 5 on the proposed Directors' benefits payable to the Non-Executive Directors pursuant to Section 230(1)(b) of the Act.

The benefits payable to the Directors pursuant to Section 230(1)(b) of the Act have been reviewed by the Board of the Company, which recognises that the benefits payable is in the best interest of the Company for the period commencing from 18 July 2025 until the next AGM of the Company to be held in the year 2026. The benefits comprised of benefits in kind and meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors. In the event the proposed amount is insufficient e.g. due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

#### 5) Resolution 6 : Re-appointment of Auditors

The Audit and Risk Management Committee ("ARMC") and the Board have considered the re-appointment of Messrs. Ernst & Young PLT as auditors of the Company and are satisfied with the performance, competency, audit approach and independence of Messrs. Ernst & Young PLT and are of the view that they have met the relevant criteria prescribed by Paragraph 15.21 of Bursa Securities MMLR.

The Board endorsed the ARMC's recommendation to seek shareholders' approval to re-appoint Messrs. Ernst & Young PLT as auditors of the Company, until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

# Notice of Annual General Meeting

(Cont'd)

## 6) Resolution 7 : Authority to issue shares pursuant to the Act and Waiver of Pre-emptive Rights

The proposed Resolution 7 is to seek for the renewal of a Previous Mandate (as defined herein) to give flexibility to the Board of Directors to issue and allot shares up to 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being, at any time in their absolute discretion for such purposes as the Board of Directors' consider to be in the best interest of the Company (hereinafter referred to as the "General Mandate"). This General Mandate is sought to avoid any delays and costs involved with the convening of a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company has been granted a general mandate by its shareholders at the last AGM held on 31 July 2024 (hereinafter referred to as the "Previous Mandate").

As at the date of this Notice, the Company did not implement its proposal for new allotment of shares under the Previous Mandate and hence, no proceeds were raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s).

The waiver of pre-emptive rights will allow the Board of Directors to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

## 7) Resolution 8 : Mandate for Dato' Woo Hon Kong to continue to act as INED of the Company

The proposed resolution is to seek shareholders' approval to retain Dato' Woo Hon Kong ("Dato' Woo") who has served on the Board as an INED for a cumulative term of more than 9 years, as an INED of the Company until 15 May 2026 (cease date of 12-year term).

The Board via its NC has conducted an assessment and reviewed the independence of Dato' Woo who has served as an INED for a term of more than 9 years. The Board is satisfied with the results and recommended that the resolution be put up for shareholders' approval for Dato' Woo to retain as an INED up to 15 May 2026 based on the following justifications: -

- a) He has satisfied all the criteria of an Independent Director set out in Paragraph 1.01 of the MMLR;
- b) He has remained objective and independent in expressing his view and in participating in deliberation and decision making of the Board, and
- c) His length of services on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interests of the Company.

The Company will seek Shareholders' approval for retaining Dato' Woo as an INED with Company's present voting practice, which is in accordance with the general rule of voting as provided by the Act which states that every Shareholder has 1 vote for every share he held and this resolution shall be passed by a simple majority for Ordinary Resolution.

# Notice of Annual General Meeting

(Cont'd)

## Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Bursa Securities MMLR)

1. Details of individuals who are standing for election as Directors

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 36<sup>th</sup> AGM.

2. General Mandate for issue of securities in accordance with Paragraph 6.03(3) of the Bursa Securities MMLR

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 6 of the Notice of 36<sup>th</sup> AGM.

**FORM OF PROXY**

<b>No. of Ordinary Shares Held</b>	<b>CDS Account No.</b>
<b>Contact No.</b>	<b>Email Address</b>

I/We, \_\_\_\_\_  
(FULL NAME AND NRIC/PASSPORT NO./REGISTRATION NO.)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member of **ATLAN HOLDINGS BHD (Registration No. 198801005893 (173250-W))** ("the Company") hereby appoint: -

**\*First Proxy**

<b>Full Name (in Block):-</b>	<b>NRIC/Passport No.:-</b>	<b>Proportion of Shareholdings Represented</b>	
		<b>No. of Shares</b>	<b>%</b>
<b>Contact No.:-</b>			
<b>Full Address:-</b>			

\*and/or (delete where appropriate)

**\*Second Proxy**

<b>Full Name (in Block):-</b>	<b>NRIC/Passport No.:-</b>	<b>Proportion of Shareholdings Represented</b>	
		<b>No. of Shares</b>	<b>%</b>
<b>Contact No.:-</b>			
<b>Full Address:-</b>			

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Thirty-Sixth Annual General Meeting ("36<sup>th</sup> AGM") of the Company to be held at the Meeting Room, Wisma Atlan, 8 Persiaran Kampung Jawa, 11900 Bayan Lepas, Penang on Thursday, 17 July 2025 at 11.00 a.m. and at any adjournment thereof.

Please indicate your vote by a (X) in the respective box of each resolution. If no specific direction as to voting is given, the proxy will vote or abstain from voting on the resolutions at his/her discretion.

No.	Ordinary Resolutions	For	Against
<b>AS ORDINARY BUSINESS:</b>			
Resolution 1	Re-election of Dato' Sri Adam Sani bin Abdullah as Director of the Company		
Resolution 2	Re-election of Dato' Sri Robin Tan Yeong Ching as Director of the Company		
Resolution 3	Re-election of Tan Thiam Chai as Director of the Company		
Resolution 4	Payment of Directors' fees		
Resolution 5	Payment of Directors' benefits		
Resolution 6	Re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
<b>AS SPECIAL BUSINESS:</b>			
Resolution 7	Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights		
Resolution 8	Mandate for Dato' Woo Hon Kong to continue to act as an Independent and Non-Executive Director of the Company		

\* Strike out whichever not applicable

**Note :** Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of 36<sup>th</sup> AGM for the full purpose and intent of the Resolutions to be passed.

As witness \*my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Signature of Shareholder(s)



**Notes:-**

1. For the purpose of determining who shall be entitled to participate and vote at this Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Regulation 77(b) of the Company's Constitution and Paragraph 7.16(2) of the Bursa Securities Main Market Listing Requirements ("MMLR"), a Record of Depositors as at **11 July 2025** ("General Meeting Record of Depositors") and a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote in the 36<sup>th</sup> AGM.
2. A member of the Company entitled to participate and vote at the 36<sup>th</sup> AGM is entitled to appoint more than one (1) proxy to participate, speak and vote in his/her stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 36<sup>th</sup> AGM.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds.
7. Pursuant to Paragraph 8.29A of MMLR, all resolutions set out in the Notice of the 36<sup>th</sup> AGM will be put to vote by way of a poll.
8. The appointment of proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the 36<sup>th</sup> AGM or any adjournment thereof:-
  - (a) Hardcopy Form  
The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
  - (b) By Electronic Means  
The Form of Proxy may also be electronically lodged by email to [info@sshshb.com.my](mailto:info@sshshb.com.my) or by fax to [+603-2094 9940](tel:+603-20949940).
9. Any alteration in this form must be initialed.

**Personal data privacy:**

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 36<sup>th</sup> AGM of the Company and any adjournment thereof.

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AFFIX  
POSTAGE  
STAMP

*THE SHARE REGISTRAR*  
**ATLAN HOLDINGS BHD.**

Registration No. 198801005893 (173250-W)

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing



Correspondence address:

**ATLAN HOLDINGS BHD.**

Registration No. 198801005893 (173250-W)

17TH FLOOR, MENARA ATLAN,  
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