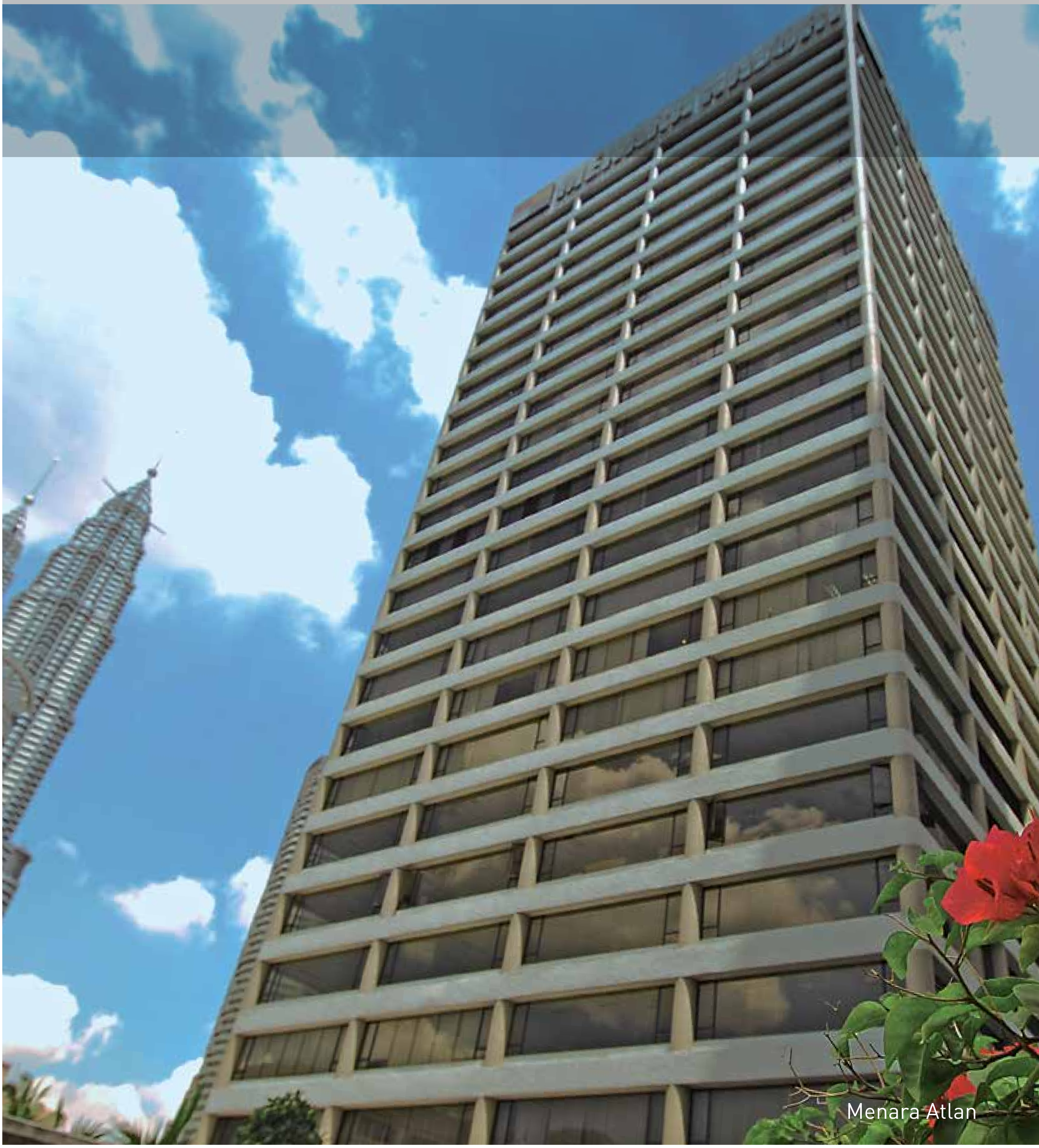
Atlan
HOLDINGS BHD
198801005893 (173250-W)

Annual Report | Laporan Tahunan

2026

CHARTING A NEW **DIRECTION**

At ATLAN, progress goes beyond profits. By embracing innovation, leveraging emerging technologies, fostering meaningful partnerships, and pursuing bold ideas, we unlock new opportunities and create lasting value for our stakeholders.

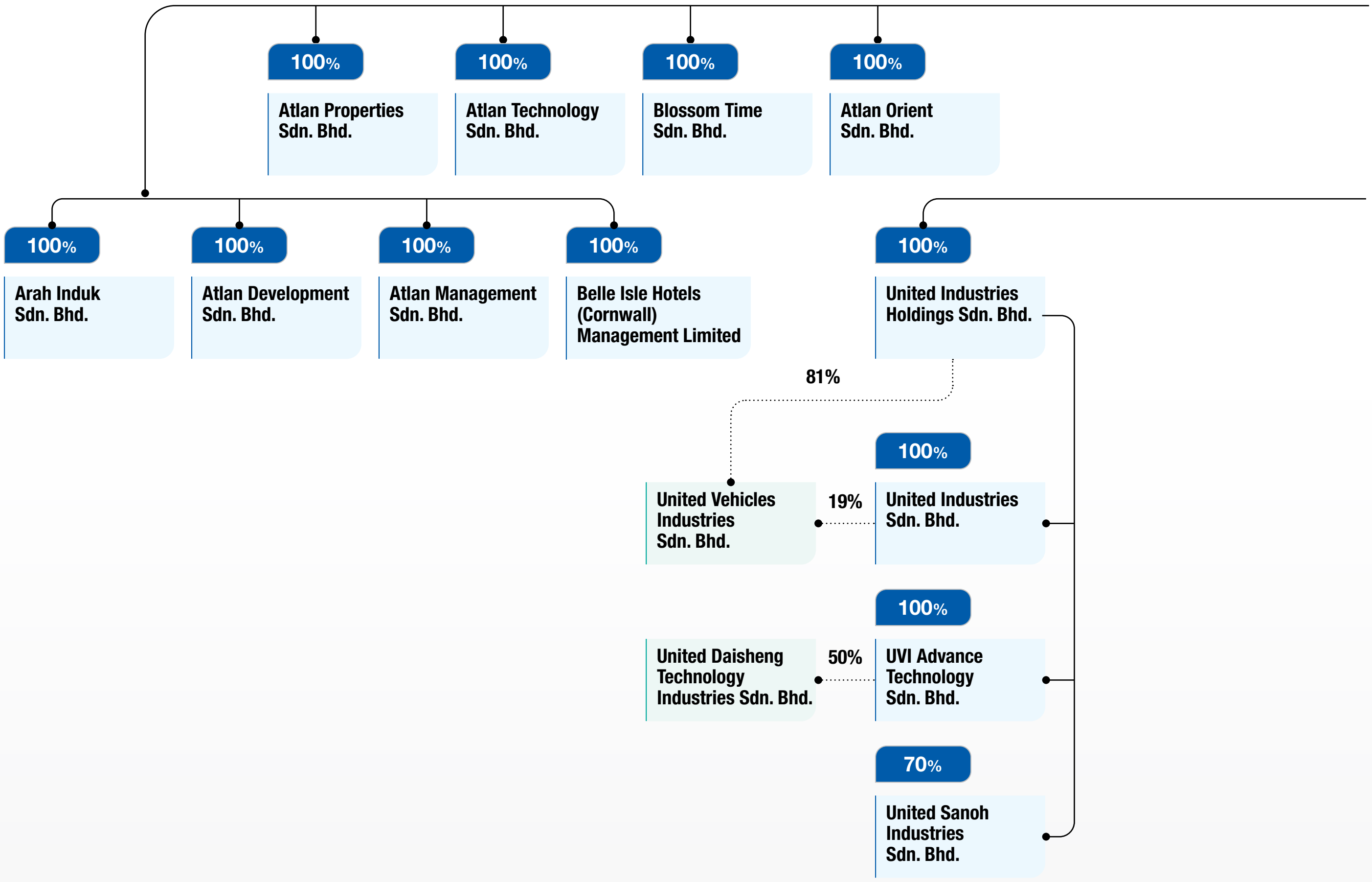


Menara Atlan

TABLE OF CONTENTS

CORPORATE STRUCTURE

(as at 12 June 2026)



CORPORATE STRUCTURE

(CONT'D)

- 75.53% **Duty Free International Limited**
  - 100% **DFZ Capital Sdn. Bhd.**
    - 100% **DFZ Trading Sdn. Bhd.**
      - 100% **DFZ Duty Free Supplies Sdn. Bhd.**
      - 100% **Jasa Duty Free Sdn. Bhd.**
      - 100% **Zon Emporium Sdn. Bhd.** #
      - 100% **Jelita Duty Free Supplies Sdn. Bhd.**
      - 100% **DFZ Duty Free (Langkawi) Sdn. Bhd.**
      - 69.89% **DFZ (M) Sdn. Bhd.**
      - 51% **Melaka Duty Free Sdn. Bhd.**
      - 29.30% **DFZ Emporium Sdn. Bhd.**
      - 28.60% **Wealthouse Sdn. Bhd.**
    - 100% **Selasih Ekslusif Sdn. Bhd.**
    - 100% **Winner Prompt Sdn. Bhd.**
    - 69.90% **Emas Kerajang Sdn. Bhd.**
    - 69.80% **Seruntun Maju Sdn. Bhd.**
  - 100% **Zon Duty Free Pte. Ltd.**
  - 100% **Orchard Boulevard Sdn. Bhd.**
    - 100% **Tenggara Senandung Sdn. Bhd.** #
    - 100% **Kelana Megah Sdn. Bhd.**
    - 100% **Cergasjaya Properties Sdn. Bhd.**
    - 100% **Black Forest Golf And Country Club Sdn. Bhd.**
    - 100% **Gold Vale Development Sdn. Bhd.**
    - 100% **DFZ Asia Sdn. Bhd.**
      - 1% **PT DFZ Indon**
    - 99% **PT DFZ Indon**
  - 100% **Darul Metro Sdn. Bhd.**
    - 100% **Binamold Sdn. Bhd.**
    - 100% **Cergasjaya Sdn. Bhd.**
- 100% **Atlan KLCC Properties Sdn. Bhd.** *(formerly known as Naluri Properties Sdn. Bhd.)*
- 100% **Ocean Pride Sdn. Bhd.**
- 90% **Immugen Sdn. Bhd.**
- 25% **Scandinavian Avionics (Malaysia) Sdn. Bhd.**

In the process of striking-off

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Adam Sani Bin Abdullah
Executive Chairman

Sebastian Paul Lim Chin Foo
Non-Independent Non-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

Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah
Independent Non-Executive Director

Dato' Dr Abdul Razak Bin Abdul
Independent Non-Executive Director

Nor Shahniza Binti Shahbudin
Independent Non-Executive Director

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

Nor Shahniza Binti Shahbudin

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)

REGISTERED OFFICE

17th 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

Datuk Lee Kok Khee
17th 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

17th 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@sshsb.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
Malaysia

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
70

Gender
Male

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 46 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 who is the Executive Chairman and major shareholder of the Company, is the father of Mr. Sebastian Paul Lim Chin Foo, the Non-Independent Non-Executive Director of the Company.

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 2026.

Sebastian Paul Lim Chin Foo

Non-Independent Non-Executive Director

Age
41

Gender
Male

Nationality

SEBASTIAN PAUL LIM CHIN FOO, was appointed as Non-Independent Non-Executive Director of the Company on 10 November 2025.

He holds a Master of Science in Political Economy of Late Development from London School of Economics and a Bachelor of Arts in History (Hons) from King's College, University of London. He is a finance and investment professional with extensive experience in real estate and capital markets. He is currently a Partner and Chief Financial Officer of Melford, a UK-based real estate fund. Prior to joining Melford in 2013 he was an investment banker with Nomura International in London.

He is the son of Dato' Sri Adam Sani Abdullah, the Executive Chairman and major shareholder of the Company. He 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 the 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 2026.

Dato' Sri Robin Tan Yeong Ching

Non-Independent
Non-Executive Director

Age
52

Gender
Male

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 began his career with Berjaya Group Berhad in 1995 as an Executive. He was later appointed as the Chief Executive Officer ("CEO") of Berjaya Corporation Berhad in 2011, later serving as Chairman/CEO, and subsequently held various leadership roles including Executive Deputy Chairman and Non-Independent Non-Executive Deputy Chairman until his resignation in year 2023.

He currently serves as 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. In addition, he holds directorships in several other private limited companies within 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 2026.

PROFILE OF DIRECTORS

(CONT'D)

Tan Thiam Chai

Non-Independent
Non-Executive Director

Age
67

Gender
Male

Nationality

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 2026.

Tuan Haji Mohd Jaffar Bin Awang (Ismail)

Senior Independent Non-Executive Director

Age
72

Gender
Male

Nationality

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 Universiti 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 2026.

Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah

Independent Non-Executive Director

Age
68

Gender
Male

Nationality

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 in TGA Solutions Sdn. Bhd., a company engaged in industrial park management 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 2026.

PROFILE OF DIRECTORS

(CONT'D)

Dato' Dr Abdul Razak Bin Abdul

Independent
Non-Executive Director

Age
76

Gender
Male

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 at 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 overseer 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 2026.

Nor Shahniza Binti Shahbudin

Independent
Non-Executive Director

Age
46

Gender
Female

Nationality

NOR SHAHNIZA BINTI SHAHBUDIN, was appointed as an Independent Non-Executive Director of the Company on 24 October 2025.

She holds a Master of Business Administration (Strategic Management) from Universiti Teknologi Malaysia and Degree in Accountancy from Universiti Teknologi MARA. She has completed her Doctor of Philosophy (PhD) studies in Strategic Management and Human Resource at Universiti Teknologi Malaysia. She has more than 20 years of experience in the Malaysian public sector, with extensive expertise in strategic management, finance, procurement, public administration, and human resource development.

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 2026.

PROFILE OF
KEY SENIOR MANAGEMENT

Datuk Lee Kok Khee
Group Chief Executive Officer

Age
58
Gender
Male
Nationality

DATUK LEE KOK KHEE, was appointed as Group Chief Executive Officer on 7 August 2025.

Prior to joining the Group, he has been with Kenanga Investment Bank Berhad ("KIBB") for twenty-two (22) years, and his last position held in KIBB was as the Executive Director, Head of Group Equity Business. Datuk Lee has extensive experience in equity broking, equity derivatives, investment banking, corporate finance, fintech and digital businesses. Under his leadership while heading KIBB's Group Equity Business Division, KIBB's equity business had clinched various awards domestically and internationally, while its equity derivatives business was the top structured warrants issuer in Malaysia and won awards both locally and internationally, whereas Rakuten Trade Sdn. Bhd., a fully online broking company that was co-founded by KIBB and Rakuten Securities, Inc. in 2016, had also won the 2018 Fintech Company of the Year award in Malaysia.

He holds a professional qualification from The Malaysian Institute of Certified Public Accountants. He is 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 2026.

Lee Sze Siang

Chief Operating Officer of Duty Free International Limited

Age
56

Gender
Male

Nationality

LEE SZE SIANG, was appointed as Chief Operating Officer of Duty Free International Limited on 10 November 2025, following his resignation as Executive Director of the Company. He joined the Group as Executive Director in June 2000 and was re-designated as Non-Executive Director in December 2004. He was subsequently re-designated as Executive Director of the Company in October 2008.

He holds a professional qualification from the Australian Society of Certified Practicing Accountants. He is 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 2026.

Ho Yuet Leng

Group Chief Financial & Corporate Services Officer

Age
63

Gender
Female

Nationality

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. She was appointed as the Group Chief Financial & Corporate Services Officer on 10 November 2025.

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 2026.

PROFILE OF KEY SENIOR MANAGEMENT

(CONT'D)

Khoo Chun Keong

Chief Executive Officer of United Industries Holdings Sdn. Bhd.

Age
54

Gender
Male

Nationality

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 Accountants 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 2026.

Mark Trevor Rudrum

Chief Executive Officer – Belle Isle Hotels (Cornwall) Management Limited

Age
52

Gender
Male

Nationality

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 the 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.

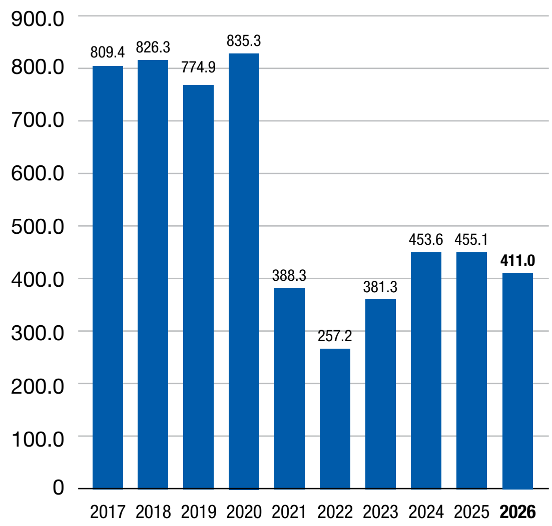
He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

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

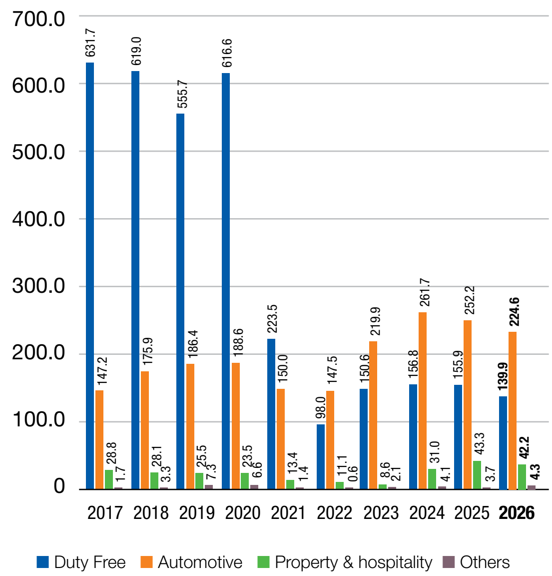
He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2026.

FINANCIAL
HIGHLIGHTS

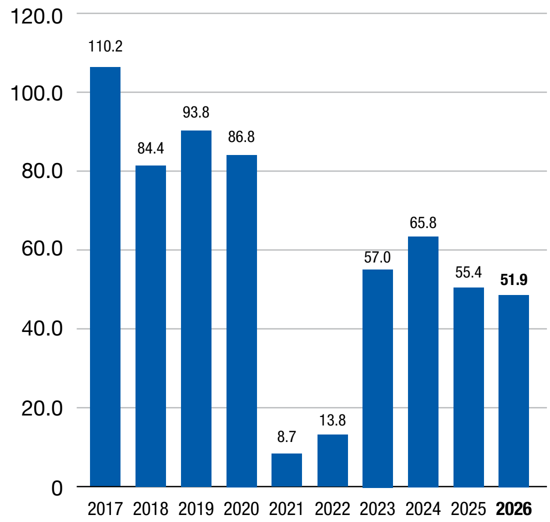
Revenue
(RM'million)



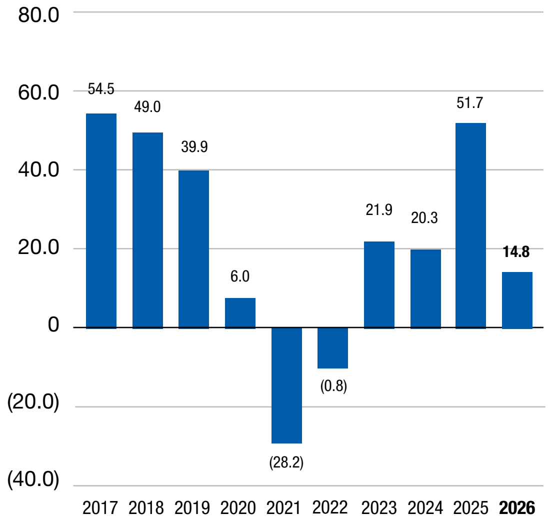
Revenue by Business Segments
(RM'million)



Earnings Before Interest, Tax, Depreciation and Amortisation
(before exceptional items) (RM'million)



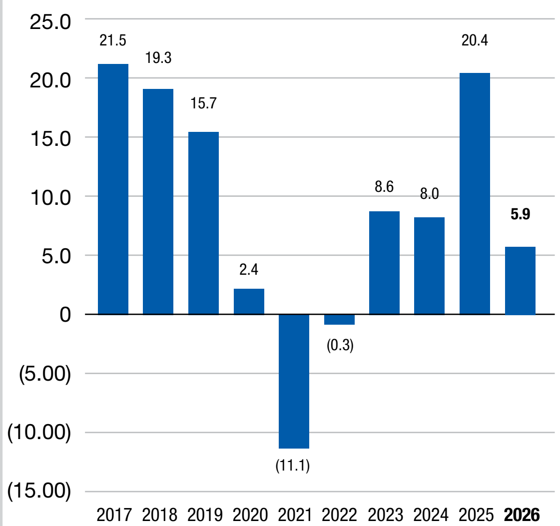
Profit/(Loss) After Tax and Non-Controlling Interests
(RM'million)



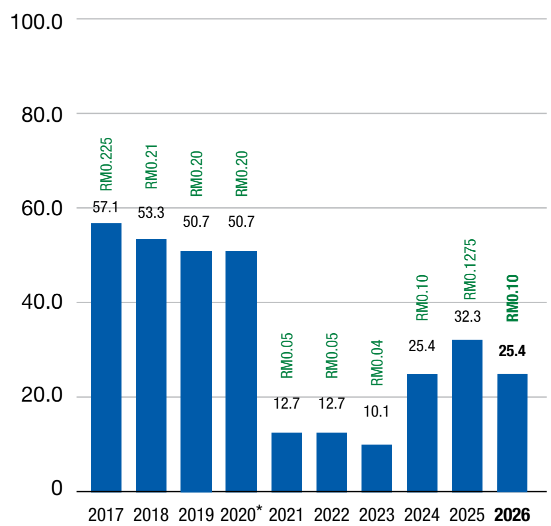
FINANCIAL HIGHLIGHTS

(CONT'D)

Basic Earnings Per Share
(sen)

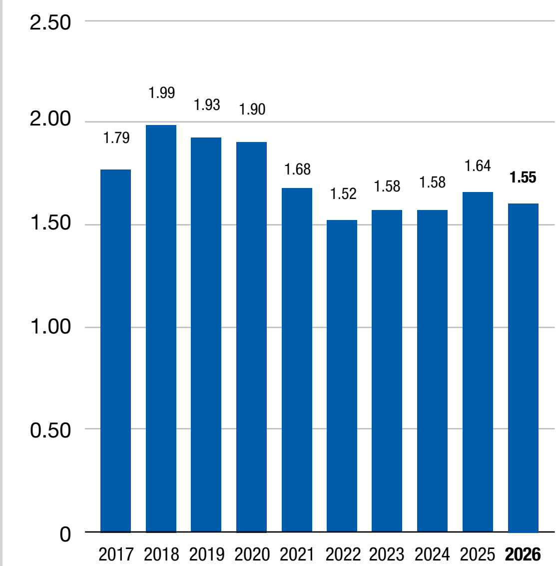


Dividend Payout (RM'million)
Dividend per share in RM

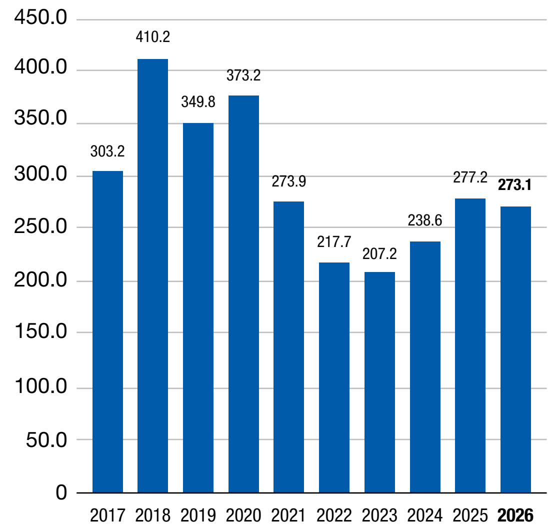


* Declared and paid out during and after financial year ended 29 February 2020

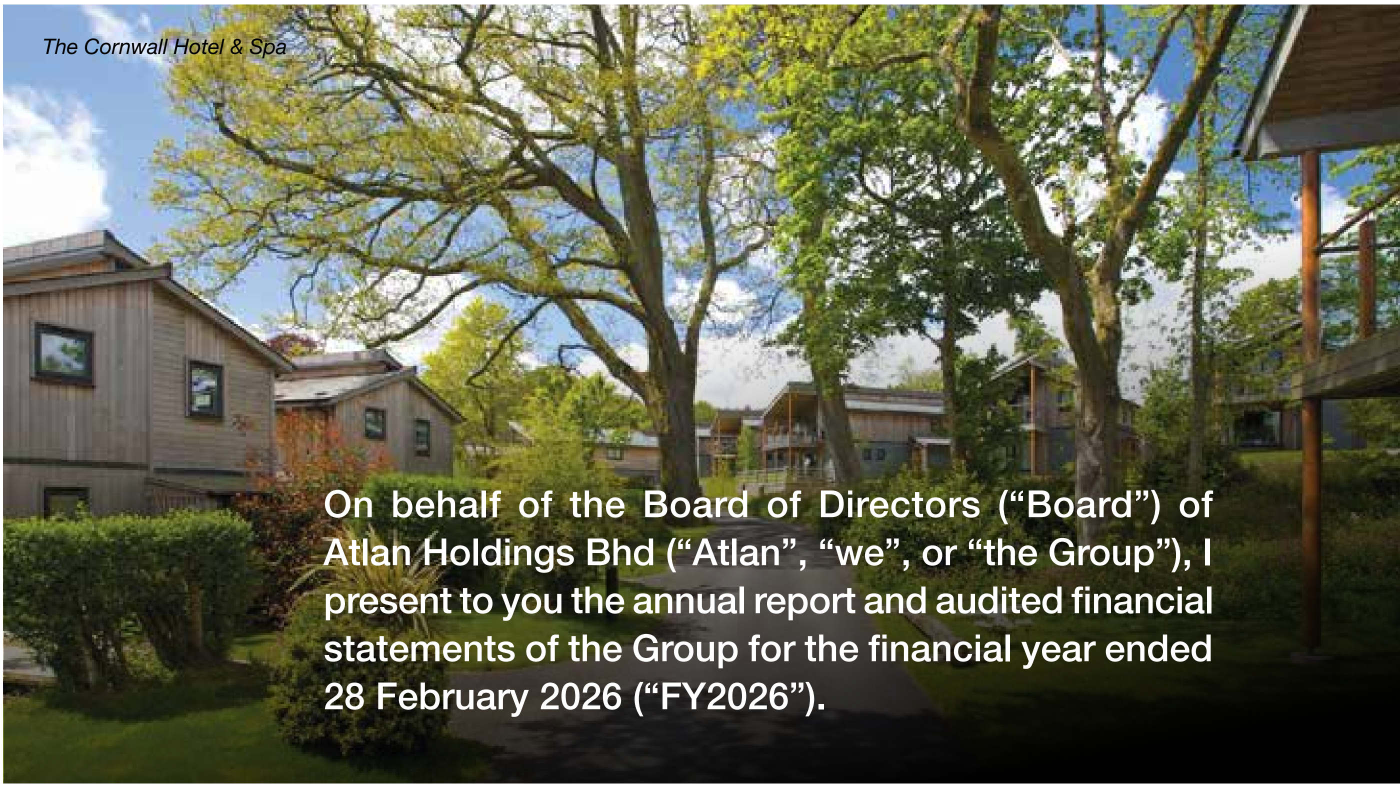
Net Tangible Assets Per Share
(RM)



Cash and Bank Balances
(RM'million)



CHAIRMAN'S STATEMENT


The Cornwall Hotel & Spa

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 2026 ("FY2026").

ECONOMIC AND BUSINESS OVERVIEW

The global economic environment during the year remained challenging, shaped by persistent inflationary pressures, elevated interest rates and uneven recovery across key markets. Geopolitical tensions and supply chain disruptions further contributed to market volatility and uncertainty, impacting overall business sentiment and consumer spending patterns.

Despite the global challenges, the Malaysian economy maintained its momentum in 2025, expanding by 5.2%. The performance was driven by robust domestic demand and favourable export conditions, exceeding the projected growth range of 4% - 8%. This growth momentum is expected to continue in 2026 supported by resilient domestic demand and exports.[1]

In 2025, the automotive sector in which the Group's subsidiaries operate continued to deliver sustainable performance. New vehicle sales grew by 0.5%, marking the second consecutive year in which Total Industry Volume ("TIV") surpassed 800,000 units. This performance was supported by resilient consumer demand, favourable financing conditions, and growing acceptance of electrified vehicles, reflecting the industry's continued strength and transition towards more advanced and sustainable mobility. However, the outlook for the automotive industry in 2026 is expected to soften, with a potential marginal decline in TIV anticipated.[2]

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

CHAIRMAN'S STATEMENT

(CONT'D)

Despite ongoing economic, industry and operational challenges, the Group remains steadfast in its commitment to strengthening the resilience and long-term 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 FY2026, the Group reported revenue of RM411.0 million, representing a decrease of 9.7% compared to RM455.1 million for the financial year ended 28 February 2025 ("FY2025"). The decrease was mainly driven by the lower contributions from the automotive component parts manufacturing and duty free segments.

For the financial year under review, the Group achieved a profit before taxation of RM42.7 million, a significant decrease from RM79.6 million in FY2025. The decrease in profit was mainly due to the absence of a one-off compensation received in the preceding year in relation to a compulsory land acquisition (please refer to Note 45 of the audited financial statement for the financial year ended 28 February 2026). Nevertheless, the overall performance of the Group in FY2026 was partially bolstered by a one-off gain arising from the derecognition of leases following the closure of the Johor Bahru outlet. Meanwhile, the automotive component parts manufacturing, property, and hospitality segments continued to deliver consistent performance, supported by steady revenue growth, enhanced operational efficiencies, and sustained customer demands.

DIVIDEND

In line with the Group's commitment to reward our shareholders, the Board declared a total dividend of RM0.10 per share for FY2026. This translates to a dividend yield of approximately 3.7% based on the closing price of RM2.69 on 27 February 2026.

CORPORATE DEVELOPMENTS

On 21 July 2025, Atlan entered into a Share Sale and Purchase Agreement with Duty Free International Limited to dispose of 37,700,000 ordinary shares, representing 100% of the issued and paid-up shares capital of United Industries Holdings Sdn. Bhd. for an aggregate consideration of RM175 million ("the Reorganisation"). The Reorganisation was completed on 31 October 2025.

The Reorganisation is intended to streamline the Group's corporate and business structure to enhance operational efficiency and strategic focus, concurrently, providing Atlan additional working capital for the expansion of its property and hospitality as well as to fund potential investments, if any.

OUTLOOK

Malaysia's economic outlook for 2026 remains optimistic despite the challenging and uncertain global landscape, with growth projected at 4% to 5% by Bank Negara Malaysia. This is supported by robust domestic demand, moderate inflation, a sound financial sector and a resilient external position.[3]

However, the Group anticipates that the business environment in which it operates will remain challenging in the financial year 2027. This is largely due to rising product and operating costs, further compounded by persistent inflationary pressures and a notable shift in consumer spending behaviour towards a more prudent and conservative approach amid the ongoing economic uncertainties, including amongst others, uncertainties arising from the oil crisis due to the geopolitical tensions stemming from the Middle East conflict.

We are therefore placing stronger focus on the strategic planning, prudent resource allocation, and cost optimization to support the long-term sustainability and continuity of our operations. With these initiatives in place, we remain cautiously optimistic about sustaining stable operations and achieving positive financial performance for the financial year ending 28 February 2027.

Maintaining a solid financial foundation will remain central to our ability to adapt and thrive amid market volatility. As at 28 February 2026, our balance sheet remains strong and robust, with the Group's net assets of RM516.5 million and cash and bank balances of RM273.1 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 record our gratitude and sincere appreciation to the Government, customers, suppliers, business partners for the undivided supports, trusts and confidence in the Group throughout the financial year. Additionally, I wish to extend my heartfelt gratitude to our Board members, Management team and all employees for their invaluable support and thoughtful contributions throughout the year, which have been instrumental in sustaining the Group's business through a challenging operating environment. I sincerely believe that our people are our greatest assets, playing a vital role in driving the Group forward and achieving continued excellence.

Further, on behalf of the Board, I would also like to convey our sincere gratitude and appreciation to Mr Lee Sze Siang, Executive Director, Datuk Zawati Binti Abd Rahman and Dato' Woo Hon Kong, Independent Non-Executive Directors, following their resignations, for their dedicated service and invaluable contributions to the Group during their respective tenures.

In addition, on behalf of the Board, I am pleased to extend a warm welcome to our new Non Independent Non-Executive Director, Mr Sebastian Paul Lim Chin Foo, as well as our new Independent Non-Executive Director, Puan Nor Shahniza Binti Shahbudin, who were appointed to the Board on 10 November 2025 and 24 October 2025 respectively. We look forward to benefiting from their valuable insights and experience as we advance into the next phase of growth and development for the Group.

Last but not least, I would like to express my sincere appreciation to our shareholders for their continued confidence, trust and unwavering support, which have been instrumental to our achievements. The Group remains firmly committed to delivering sustainable, long-term value while making a meaningful contribution to our customers, employees, and the communities we serve. Our commitment to strategic goals remains strong, driven by determination and disciplined execution.

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

5 June 2026

Source:

[1] Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025
https://www.bnm.gov.my/-/qb25q4_en_pr

[2] Malaysian Automotive Association Press Release 2025
https://www.maa.org.my/pdf/2025/Market_Review_2025.pdf

[3] Bank Negara Malaysia Publishes Annual Report 2025, Economic and Monetary Review 2025 and Financial Stability Review for Second Half 2025
https://www.bnm.gov.my/-/ar2025-pr

PENYATA PENGERUSI

Kedai Bebas Cukai di Pengkalan Hulu, Perak

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 2026 ("Tahun Kewangan 2026").

TINJAUAN EKONOMI DAN PERNIAGAAN

Persekitaran ekonomi global kekal mencabar di sepanjang tempoh tahun kewangan, dipengaruhi oleh tekanan inflasi yang berterusan, kadar faedah yang tinggi serta pemulihan yang tidak sekata di pasaran utama dunia. Ketegangan geopolitik dan gangguan rantaian bekalan turut menyumbang kepada ketidaktentuan serta turun naik harga pasaran, sekali gus menjejaskan sentimen perniagaan secara keseluruhan dan corak perbelanjaan pengguna.

Di sebalik cabaran global tersebut, ekonomi Malaysia terus mengekalkan momentum pertumbuhannya untuk tahun 2025 dengan berkembang sebanyak 5.2%. Prestasi ini didorong oleh permintaan domestik yang kukuh serta keadaan eksport yang menggalakkan, sekali gus melepasi unjuran pertumbuhan antara 4% hingga 8%. Momentum pertumbuhan ini dijangka berterusan untuk tahun 2026, disokong oleh daya tahan permintaan domestik dan eksport.[1]

Pada tahun 2025, sektor automotif, yang juga diusahakan oleh subsidiari Kumpulan, terus mencatatkan prestasi yang stabil. Jualan kenderaan baharu meningkat sebanyak 0.5%, menandakan tahun kedua berturut-turut Jumlah Volum Industri ("TIV") melepasi paras 800,000 unit. Prestasi ini disokong oleh permintaan pengguna yang kekal kukuh, keadaan pembiayaan yang menggalakkan serta peningkatan penerimaan terhadap kenderaan berelektrik, yang mencerminkan kekuatan berterusan industri serta peralihannya ke arah pengangkutan yang lebih maju dan lestari. Walau bagaimanapun, tinjauan industri automotif bagi tahun 2026 dijangka lebih sederhana, dengan kemungkinan berlakunya penurunan kecil dalam TIV.[2]

Sementara itu, operasi perniagaan bebas cukai Kumpulan terjejas dengan ketara berikutan penutupan outlet-outletnya di Johor Bahru dan di Pulau Langkawi. Pemberhentian operasi perniagaan di Johor Bahru berpunca daripada ketiadaan pembaharuan lesen perniagaan oleh pihak berkuasa tempatan, meskipun Kumpulan telah melakukan pelbagai usaha untuk mendapatkan kelulusan yang diperlukan. Selain itu, operasi outlet di Langkawi dihentikan susulan keputusan tuan tanah untuk melaksanakan kerja-kerja pengubahsuaian besar di premis tersebut. Perkembangan-perkembangan yang tidak memihak kepada kami ini telah mewujudkan cabaran operasi yang signifikan kepada perniagaan runcit bebas cukai Kumpulan dan dijangka akan memberi kesan negatif terhadap prestasi segmen runcit bagi tahun kewangan akan datang.

Walaupun berdepan dengan cabaran ekonomi, industri dan operasi yang berterusan, Kumpulan kekal komited untuk memperkukuhkan daya tahan serta kemampanan jangka panjang perniagaan terasnya. Keutamaan kami dalam menyampaikan nilai jangka panjang kepada pihak berkepentingan kami, tidak pernah goyah. Kumpulan akan terus memanfaatkan kekuatan dan keupayaan yang sedia ada bagi meningkatkan prestasi dan kecekapan operasi secara berterusan pada masa hadapan.

PRESTASI KEWANGAN

Dalam tahun kewangan 2026, Kumpulan mencatatkan perolehan sebanyak RM411.0 juta, merosot sebanyak 9.7% berbanding RM455.1 juta pada tahun kewangan berakhir 28 Februari 2025. Penurunan ini adalah disebabkan oleh pencapaian perolehan yang lebih rendah daripada segmen pembuatan komponen dan alat ganti automotif dan segmen bebas cukai.

Bagi tahun kewangan 2026 ini juga, Kumpulan mencatatkan keuntungan sebelum cukai sebanyak RM42.7 juta, iaitu penurunan ketara berbanding RM79.6 juta pada tahun kewangan 2025. Penurunan keuntungan ini disebabkan terutamanya oleh ketiadaan pampasan tidak berulang yang diterima pada tahun sebelumnya yang berkaitan dengan pengambilan balik tanah secara paksa (sila rujuk Nota 45 penyata kewangan beraudit bagi tahun berakhir 28 Februari 2026).

Walau bagaimanapun, prestasi keseluruhan Kumpulan bagi tahun kewangan 2026 sebahagiannya diperkukuhkan oleh keuntungan tidak berulang yang terhasil daripada pembatalan pengiktirafan pajakan susulan penutupan outlet di Johor Bahru, selepas ditolak perbelanjaan yang berkaitan yang merangkumi kos penamatan pekerja serta hapus kira harta, loji dan peralatan. Sementara itu, segmen pembuatan komponen dan alat ganti automotif, hartanah dan hospitaliti terus mencatatkan prestasi yang konsisten, disokong oleh pertumbuhan perolehan yang stabil, peningkatan kecekapan operasi serta permintaan pelanggan yang berterusan.

DIVIDEN

Selaras dengan komitmen Kumpulan dalam memberikan pulangan kepada pemegang saham, Lembaga Pengarah telah mengisytiharkan jumlah dividen sebanyak RM0.10 sesaham untuk tahun kewangan 2026. Ini bersamaan dengan hasil dividen kira-kira 3.7% berdasarkan harga penutupan saham sebanyak RM2.69 pada 27 Februari 2026.

PERKEMBANGAN KORPORAT

Pada 21 Julai 2025, Atlan telah memeterai Perjanjian Jual Beli Saham dengan Duty Free International Limited bagi pelupusan 37,700,000 saham biasa, yang mewakili 100% modal saham diterbitkan dan berbayar United Industries Holdings Sdn. Bhd., dengan jumlah balasan sebanyak RM175 juta ("Penyusunan Semula"). Penyusunan Semula ini telah disempurnakan pada 31 Oktober 2025.

Penyusunan Semula ini bertujuan untuk menyelaraskan struktur korporat dan perniagaan Kumpulan bagi meningkatkan kecekapan operasi serta fokus strategik, di samping menyediakan modal kerja tambahan kepada Atlan bagi mengembangkan segmen hartanah dan hospitaliti serta membiayai potensi pelaburan, sekiranya berkenaan.

TINJAUAN DAN HARAPAN

Tinjauan ekonomi Malaysia bagi tahun 2026 kekal positif meskipun berdepan landskap global yang mencabar dan tidak menentu, dengan pertumbuhan diunjurkan antara 4% hingga 5% oleh Bank Negara Malaysia. Unjuran ini disokong oleh permintaan domestik yang kukuh, inflasi yang sederhana, sistem kewangan yang baik serta kedudukan luaran yang berdaya tahan.[3]

Sehubungan itu, Kumpulan menjangkakan persekitaran perniagaan yang dihadapinya ini akan terus mencabar pada tahun kewangan 2027. Ini terutamanya disebabkan oleh peningkatan kos produk dan operasi, yang turut dipengaruhi oleh tekanan inflasi yang berterusan serta perubahan ketara dalam corak perbelanjaan pengguna ke arah yang lebih berhemat dan konservatif susulan ketidaktentuan ekonomi global yang berterusan, termasuk antara lainnya ketidaktentuan yang berpunca daripada krisis minyak akibat ketegangan geopolitik yang tercetus di rantau Timur Tengah.

Oleh itu, Kumpulan memberikan tumpuan yang lebih kukuh terhadap perancangan strategik, peruntukan sumber secara berhemat serta pengoptimuman kos bagi menyokong kemampanan jangka panjang dan kesinambungan operasi. Dengan inisiatif-inisiatif ini, Kumpulan kekal berhati-hati dan optimistik dalam mengekalkan kestabilan operasi serta mencapai prestasi kewangan yang positif bagi tahun kewangan berakhir 28 Februari 2027.

Kumpulan terus mengekalkan asas kewangan yang kukuh yang akan menjadi teras kepada keupayaan Kumpulan untuk menyesuaikan diri dan kekal berdaya tahan dalam persekitaran pasaran yang tidak menentu. Sehingga 28 Februari 2026, lembaran imbangan Kumpulan kekal kukuh dan utuh, dengan aset bersih berjumlah RM516.5 juta serta baki tunai dan bank sebanyak RM273.1 juta. Sehubungan itu, Kumpulan berada dalam kedudukan yang kukuh untuk meneroka dan memanfaatkan potensi sinergi peluang perniagaan bagi memberikan nilai yang lebih besar kepada para pemegang saham.

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, kepercayaan dan keyakinan yang tidak berbelah bahagi terhadap Kumpulan sepanjang tahun kewangan ini.

Saya juga ingin merakamkan setinggi-tinggi penghargaan kepada Ahli Lembaga Pengarah, pasukan Pengurusan serta seluruh warga kerja atas sokongan dan sumbangan yang amat berharga selama ini, yang telah memainkan peranan penting dalam memastikan kelangsungan perniagaan Kumpulan, dalam persekitaran operasi yang mencabar ini. Sesungguhnya, warga kerja merupakan aset terpenting Kumpulan, yang menjadi pemacu utama ke arah kecemerlangan berterusan.

Selain itu, bagi pihak Lembaga Pengarah, saya ingin merakamkan setinggi-tinggi penghargaan dan terima kasih kepada Encik Lee Sze Siang, Pengarah Eksekutif, serta Datuk Zawati Binti Abd Rahman dan Dato' Woo Hon Kong, Pengarah-pengarah Bebas Bukan Eksekutif, susulan peletakan jawatan pengarah mereka, atas khidmat dan sumbangan yang amat bernilai kepada Kumpulan sepanjang tempoh perkhidmatan mereka.

Di samping itu juga, saya bagi pihak Lembaga Pengarah, dengan sukacitanya mengalu-alukan pelantikan Ahli Lembaga Pengarah baharu iaitu Encik Sebastian Paul Lim Chin Foo, Pengarah Bukan Bebas Bukan Eksekutif, serta Puan Nor Shahniza Binti Shahbudin, Pengarah Bebas Bukan Eksekutif, yang masing-masing telah dilantik pada 10 November 2025 dan 24 Oktober 2025. Kami berharap dapat memanfaatkan pandangan serta pengalaman berharga mereka dalam memacu Kumpulan ke fasa pertumbuhan dan pembangunan seterusnya.

Akhir sekali, saya ingin merakamkan setinggi-tinggi penghargaan kepada para pemegang saham atas keyakinan, kepercayaan serta sokongan berterusan yang menjadi asas kepada pencapaian Kumpulan. Kumpulan kekal komited untuk terus menjana nilai jangka panjang yang mampan serta memberikan sumbangan yang bermakna kepada pelanggan, warga kerja dan komuniti yang kami jaga. Komitmen Kumpulan terhadap matlamat strategik kekal kukuh, dipacu oleh kesungguhan serta pelaksanaan yang berdisiplin.

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

Terima kasih.

Adam Sani Abdullah
Pengerusi Eksekutif Atlan Holdings Bhd

5 Jun 2026

Sumber:

[1] Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025
https://www.bnm.gov.my/-/qb25q4_en_pr

[2] Malaysian Automotive Association Press Release 2025
https://www.maa.org.my/pdf/2025/Market_Review_2025.pdf

[3] Bank Negara Malaysia Publishes Annual Report 2025, Economic and Monetary Review 2025 and Financial Stability Review for Second Half 2025
https://www.bnm.gov.my/-/ar2025-pr

Kilang United Industries Group di Meru, Klang

董事主席
献词

经济与商业展望

全球经济环境在本年度持续充满挑战，受到持续通胀压力、高利率以及主要市场复苏步伐不均，对整体经济构成影响。与此同时，地缘政治紧张局势和供应链中断，进一步加剧了市场波动与不确定性，影响整体商业情绪及消费者支出模式。

尽管面临全球性挑战，马来西亚经济于2025年仍保持增长势头，取得5.2%的增长率。此表现主要受到强劲的国内需求及有利的出口环境所推动，并超出原先预测的4%至8%增长区间。预计2026年经济增长势头将持续，并继续获得稳健国内需求及出口支持。[1]

于2025年，本集团旗下子公司所经营的汽车行业持续展现稳健表现。全国新车销量增长0.5%，并连续第二年实现汽车总销量（“TIV”）突破80万辆。该表现主要受惠于稳健的消费者需求、有利的融资环境，以及市场对电动化车辆日益提高的接受度，反映出汽车行业持续保持韧性，并正迈向更先进及可持续的移动出行发展方向。然而，2026年汽车行业前景预计将趋于放缓，总行业销量或将出现轻微下滑。[2]

与此同时，集团的免税业务因位于新山及兰卡威岛的门店关闭而受到重大影响。尽管本集团已持续努力争取相关营业执照批准，当地政府最终仍未续发有关执照，因而导致新山门店关闭。此外，兰卡威门店则因业主决定对有关物业进行大型翻新工程而终止营业。上述不利发展为集团的免税零售业务带来了重大的营运挑战，并预计将在未来财政年度对零售业务板块的表现造成负面影响。

尽管面临持续的经济、行业及运营挑战，本集团仍坚定致力于强化核心业务的韧性与长期可持续性发展。我们将继续专注于为利益相关者创造长期价值，并充分发挥集团优势与能力，以进一步提升未来财务表现及营运效率。

财务绩效

益联在2026财政年的营业额为4亿1千100 万令吉，相较于截至2025年2月28日止财政年的4亿5千510万令吉（“2025财政年”），下跌9.7%。营业额减少主要是汽车及免税业务板块的贡献下降所致。

于回顾财政年度内的税前盈利为4千270万令吉，相较于去年的7千960万令吉显著下降。利润减少主要是由于上一个财政年度录得一项与强制征地相关的一次性赔偿收入，而本年度未有该项收入（请参阅截至2026年2月28日止年度经审计财务报表附注45）。 尽管如此，集团于2026财政年的整体业绩在一定程度上受到以下因素的正面支撑：因关闭新山门店而终止租赁所产生的一次性收益，惟相关收益已扣除一次性费用，其中包括员工遣散费用以及物业、厂房及设备的撇销损失。与此同时，汽车、产业及酒店业务则继续保持稳定表现，并获得营业额稳健增长、营运效率提升以及持续的客户需求所支持。

股息

秉持集团回馈股东的承诺，董事局宣布于2026财政年派发每股0.10令吉股息。以2026年2月27日收盘价每股2.69令吉计算，相当于约3.7%的股息收益率。

企业发展

于2025年7月21日，益联与Duty Free International Limited签订股份买卖协议，以总价值1亿7千500万令吉出售United Industries Holdings Sdn. Bhd.已发行及缴足股本的100%，即3千7百70万股普通股（“重组事项”）。该重组事项已于2025年10月31日完成。

该重组事项旨在优化集团的公司及业务结构，以提升营运效率及战略专注度。同时为本公司提供额外营运资金，用于拓展房地产及酒店业务，并用于未来潜在投资项目(如有)。

展望与前景

尽管全球环境充满挑战与不确定性，但马来西亚2026年的经济前景仍保持乐观。马来西亚国家银行预计经济增长介于4%至5%。此展望主要受到稳健的国内需求、温和的通胀、稳健的金融体系以及具韧性的外部经济状况所支撑。[3]

鉴于上述因素，集团预计其所处的经营环境在2027财政年度仍将面临挑战。这主要归因于产品及营运成本持续上升，并进一步受到持续通胀压力的影响。此外，在持续的经济不确定性背景下，消费者的消费行为亦出现明显变化，整体趋向更为谨慎及保守的消费行为，其中包括但不限于因中东冲突引发地缘政治紧张局势而导致的石油危机所带来的不确定性。

因此，集团将更加重视战略规划、审慎的资源配置以及成本优化，以支持集团业务长期可持续发展及运营连续性。在上述措施的支持下，益联对截至2027年2月28日止财政年度维持稳定运营及实现正面财务表现保持谨慎乐观态度。

维持稳健的财务基础始终是我们应对市场波动、实现持续发展的核心优势。截至2026年2月28日，集团的财务状况维持强劲稳健，净资产为5亿1千650万令吉，现金及银行存款结存2亿7千310万令吉。因此，集团已具备良好条件，以把握和拓展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，本人谨向政府、客户、供应商及业务合作伙伴致以诚挚的谢意，感谢他们在整个财政年度对集团一如既往的支持、信任与信心。此外，我也衷心感谢董事会成员、管理团队及全体员工在过去一年的宝贵支持与贡献，他们在充满挑战的经营环境中，对维持集团业务运作发挥了关键作用。我深信人才是集团最重要的资产，他们在推动集团持续发展及实现卓越成就方面发挥着至关重要的作用。

董事主席献词

（继续）

此外，我谨代表董事会，对已辞任的执行董事Lee Sze Siang先生及独立非执行董事拿督Zawati Binti Abd Rahman及拿督Woo Hon Kong表示诚挚的谢意与感激，感谢他们在任职期间对集团所作出的尽责的服务及宝贵的贡献。

我也代表董事会，热烈欢迎新任非独立非执行董事Sebastian Paul Lim Chin Foo先生，以及新任独立非执行董事Nor Shahniza Binti Shahbudin女士。两位董事分别于2025年11月10日及2025年10月24日获委任加入董事会。益联期待在未来发展新阶段中，借助两位董事的宝贵见解与丰富经验，共同推动集团迈向下一阶段的增长与发展。

最后，我谨向各位股东致以诚挚谢意，感谢大家一直以来给予的信心、信任与坚定支持，这对集团取得各项成就起到了重要作用。

益联将继续坚定致力于创造可持续的长期价值，并为客户、员工及我们所服务的社区作出有意义的贡献。益联对既定战略目标的承诺始终如一，并将以坚定的决心与纪律贯彻执行。

本人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

2026年6月5日

资源：

[1] Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025
https://www.bnm.gov.my/-/qb25q4_en_pr

[2] Malaysian Automotive Association Press Release 2025
https://www.maa.org.my/pdf/2025/Market_Review_2025.pdf

[3] Bank Negara Malaysia Publishes Annual Report 2025, Economic and Monetary Review 2025 and Financial Stability Review for Second Half 2025
https://www.bnm.gov.my/-/ar2025-pr

BUSINESS OVERVIEW

Atlan Holdings Bhd ("Atlan", "we" or the "Group") is an investment holding company, with its subsidiaries primarily involved in automotive component parts manufacturing, trading of duty free goods, dutiable and non-dutiable merchandise ("Duty Free Retail") as well as property investment and 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 2026 ("FY2026"), the automotive component parts manufacturing segment was the key contributor to the Group's revenue, having accounted for 54.6% of the total revenue. This was followed by the Duty Free segment, Property and Hospitality and investment holding and others, which constituted 34.0%, 10.3% and 1.1% of the Group's revenue, respectively.

Automotive component parts manufacturing

The Group operates its automotive component parts manufacturing operations via United Industries Holdings Sdn. Bhd. ("UI") and its group of subsidiaries ("UI Group"). UI Group became wholly-owned subsidiaries of Duty Free International Limited ("DFIL") since 31 October 2025 upon the completion of its acquisition by DFIL. UI Group has 52 years of experience producing and supplying automotive component parts to Malaysia's original equipment manufacturers.

UI Group is currently one of the market leaders in Malaysia's automotive component parts industry, specialising in the manufacture of metallic tubes, fuel filler neck, fuel tank modules, metal stamping parts and sub-assembly of instrument panels.

Duty Free Retail

The Duty Free Retail segment of the Group is undertaken by DFIL and its Group of subsidiaries (excluding the UI Group, which comprises the Group's automotive component parts manufacturing segment as mentioned above). 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.

Duty Free Retail segment operates under the "ZON" brand and is one of Malaysia's largest multichannel duty free and duty-paid retailing brands, serving Malaysians and international customers across key entry and exit points in Peninsular Malaysia.

Property And Hospitality

Atlan's Property and Hospitality segment comprises Menara Atlan and Belle Isle Hotels located in Cornwall, United Kingdom. Menara Atlan is an office tower strategically located within the vicinity of Kuala Lumpur City Centre. Meanwhile, the Group's hospitality arm, Belle Isle Hotels operates a 4-star full-service hotel featuring spa and leisure facilities.

The Zon All Suites Residences on the Park (which ceased operations in year 2020) is currently undergoing refurbishment and will resume operations in near future.

The Cornwall Hotel & Spa

FINANCIAL PERFORMANCE

Overall, the Group's FY2026 financial performance softened, with lower revenue leading to a corresponding decline in profit compared to the financial year ended 28 February 2025 ("FY2025"). The Group recorded revenue of RM411.0 million, reflecting a decrease of 9.7% compared to revenue of RM455.1 million reported in FY2025. In line with the lower revenue, both the Group's profit before tax ("PBT") and profit after tax ("PAT") also declined from RM79.6 million and RM67.4 million in FY2025 to RM42.7 million and RM21.6 million, respectively in FY2026.

The Group's automotive component parts manufacturing segment registered revenue and PBT of RM224.6 million and RM27.7 million respectively compared to the corresponding financial year's revenue of RM252.2 million and PBT of RM32.0 million respectively. Lower revenue and PBT reported in the current financial year under review was mainly due to lower orders received from customers.

Our Duty Free Retail segment recorded revenue of RM139.9 million, reflecting a decrease of 10.3% compared to RM155.9 million in the previous financial year. The decline in the revenue was primarily attributed to the cessation of business of the duty free outlets at Berjaya Waterfront Johor Bahru on 31 December 2025 following the local regulatory authority non-renewal of the business licenses. Additionally, the closure of its Langkawi outlet on 14 January 2026 due to the landlord's request for a major refurbishment also contributed to the reduction in revenue for the Duty Free Retail segment. The segment also reported a significantly lower PBT of RM38.8 million, compared to RM74.9 million in the corresponding financial year. The substantial decrease in PBT was mainly due to the one-off compensation received from the Compulsory Land Acquisition in Bukit Kayu Hitam recorded in the previous financial year under review (please see note 45 on page 295 of this annual report).

Our Property and Hospitality segment posted revenue and PBT of RM42.2 million and RM1.2 million respectively compared to the corresponding year's revenue of RM43.3 million and loss before tax ("LBT") of RM1.9 million. The marginal decline in revenue was primarily due to only three 3-storey semi-detached units were sold during the current financial year under review, compared to the six units sold in the previous financial year under review. However, this lower revenue was partially mitigated by the higher rental revenue reported by the Property division in Malaysia due to the improved occupancy rates. Additionally, BIM also contributed to the revenue growth, primarily driven by improved food and beverage performance resulting from a higher number of events and functions. Despite the marginal decrease in the revenue mentioned above, higher PBT was recorded in the current financial year under review was mainly due to the lower utilities expenses incurred by BIM arising from reduced energy costs following the installation of solar panels.

Our investment holding segment reported revenue and LBT of RM4.3 million and RM4.3 million respectively for FY2026, compared to revenue of RM3.7 million and a LBT of RM7.9 million in FY2025. The improvement in revenue was mainly due to the higher interest income earned during the financial year under review. Lower LBT was reported primarily due to a net foreign exchange gain in the current financial year under review in contrast to the net foreign exchange loss recorded in the FY2025.

As of 28 February 2026, the Group's financial position remained robust with a healthy cash and cash equivalents balance of RM116.0 million (28 February 2025: RM264.6 million) and a net cash position of RM208.2 million (28 February 2025: RM205.0 million), bringing the Group's net cash per share to RM0.82 (28 February 2025: RM0.81). 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 2026, was RM16.9 million (28 February 2025: RM19.4 million).

DIVIDEND

In recognition of our shareholders' continuous support, the Board declared a total dividend RM0.10 per share during FY2026. This translates a dividend yield of 3.7% based on the closing share price of RM2.69 on 27 February 2026.

BUSINESS RISKS

The Group operates in a dynamic business environment where its performance is influenced by both internal capabilities and external market conditions. In line with the prevailing industry outlook, the Group has identified the following key risks as among the most significant factors that may affect its operations and long-term performance.

Automotive component parts manufacturing

The Group's Automotive component parts manufacturing segment continues to operate in a challenging environment shaped by persistent trade uncertainties, fluctuating raw material costs, accelerating technological disruption, including the industry-wide shift towards electric vehicles ("EV") and the rising influx of imported Chinese vehicles into the domestic market. These headwinds are further compounded by broader macroeconomic pressures, including oil price volatility and supply chain disruptions arising from global market conditions, which may elevate input costs and overall demand, and ultimately affecting the Group's market share.

In addition, the segment is exposed to cyclical demand risk linked to the global automotive industry, where sales volumes fluctuate with economic conditions and consumer sentiment, as well as customer concentration risk due to dependence on local OEM manufacturers, which can result in pricing pressure from major customers. The business also faces supply chain risks, particularly shortages of key raw materials, alongside commodity price volatility and foreign exchange fluctuations arising from globally sourced inputs. Furthermore, evolving regulatory requirements related to safety, emissions, and environmental standards increase compliance costs, while labour constraints and rising wage pressures may further affect operational efficiency and profitability.

Duty Free Retail

The Group's Duty Free Retail segment is exposed to several key business risks, primarily its high reliance on international tourism and passenger traffic at key entry and exit points in Peninsular Malaysia, which makes it vulnerable to fluctuations in travel demand and changes in tourist spending patterns. It is also subject to regulatory and tax risks, including changes in licensing requirements and excise policies that impact both margins and operating environment.

In addition, the segment carries significant transactional currency risk arising from purchases denominated in foreign currencies, mainly USD, AUD, and SGD, with approximately 31% of FY2026 purchases (FY2025: 33%) exposed to such currencies. While these exposures are actively managed through ongoing monitoring and hedging strategies, volatility remains a key risk factor.

The business is further pressured by high fixed retail costs during low-traffic periods, intensifying competition from global operators, downtown duty free outlets, and e-commerce channels, as well as evolving consumer behaviour. Additional risks include supply chain dependence on international brands, geopolitical and travel disruptions, and potential leakage or illicit trade, all of which may constrain growth and profitability.

BUSINESS RISKS (CONT'D)

Property And Hospitality

The property market continues to face significant headwinds arising from an oversupply of office and residential properties, particularly in key urban centres. Elevated vacancy rates and persistent new completions have placed sustained pressure on the tenancy performance and rental levels, with demand recovery progressing gradually amid ongoing economic uncertainties. These challenges are further compounded by inflationary cost pressures and volatility in energy prices arising from the ongoing oil crisis, which has also softened overall business sentiment and delayed leasing decisions across the market. The supply-demand imbalance is expected to take time to normalise, especially for older and non-prime assets while tenant preferences continue to shift towards premium, flexible and sustainable spaces with green certifications, energy efficiency and wellness-focused amenities.

The hospitality industry has faced some challenges due to the rise of the alternative tourism accommodations like Airbnb, which has intensified competition within the industry. In addition, inflationary pressures and softer consumer spending have weighed on travel demand, while evolving global travel trends continue to reshape visitor behavior and preferences. The costs of maintaining aging buildings are also expected to rise over time. The hospitality segment is closely linked to the tourism industry, any shifts in global travel dynamics can have a significant impact on performance.

BUSINESS STRATEGY

In navigating an evolving business environment, the Group continuously reviews and aligns its business strategies and operational priorities to address emerging risks, strengthen resilience, enhance operational efficiency, and capture growth opportunities across its business segments.

Automotive component parts manufacturing

To mitigate the above risks, the Group continues to strengthen its operational resilience and long-term competitiveness through product diversification, cost optimisation, and strategic customer engagement. The segment remains focused on expanding its product portfolio, particularly in component parts and solutions aligned with the growing adoption of electric vehicles ("EV"), while enhancing research and development capabilities to keep pace with technological advancements and evolving market demands. In response to increasing competition, pricing pressures, and cyclical demand fluctuations within the automotive component parts industry, the Group continues to improve operational efficiency through automation, process optimisation, and prudent cost management initiatives, while also broadening its customer base to reduce dependency on any single OEM manufacturer.

To address supply chain, commodity price, and foreign exchange risks, the Group actively diversifies its supplier base, strengthens inventory planning, and maintains close collaboration with key suppliers and customers to improve supply continuity and responsiveness. The Group also continuously monitors regulatory developments and invests in process improvements and quality assurance systems to ensure compliance with applicable safety, emissions, and environmental standards. In addition, emphasis is placed on workforce development, employee retention, and productivity enhancement initiatives to mitigate labor constraints and rising wage pressures, while supporting sustainable long-term growth and profitability.

BUSINESS STRATEGY (CONT'D)

Duty Free Retail

The Group mitigates the business risks in Duty Free Retail segment by continuing to strengthen the resilience and competitiveness of the business through product diversification, operational efficiency, and enhanced customer engagement initiatives. The Group remains focused on optimising its product mix, promotional activities, and retail experience to better capture tourist spending and adapt to evolving consumer preferences. Efforts are also undertaken to strengthen digital and e-commerce capabilities, while maintaining strategic collaborations with business partners to enhance product offerings and market positioning amid intensifying competition from global operators and alternative retail channels.

To manage currency, regulatory, and operational risks, the Group continues to closely monitor foreign exchange exposures and implement appropriate hedging and procurement strategies to minimise the impact of currency volatility on margins. The Group also maintains proactive engagement with relevant authorities to ensure compliance with licensing, excise, and regulatory requirements, while continuously reviewing its operational structure and cost management measures to improve efficiency during periods of lower passenger traffic. In addition, the Group continues to diversify its supplier network and enhance inventory planning to strengthen supply chain resilience, while reinforcing internal controls and monitoring processes to better manage risks arising from geopolitical developments and travel-related uncertainties.

Property And Hospitality

The Group continues to strengthen the resilience and competitiveness of its property and hospitality segments through proactive asset management, operational efficiency, and market repositioning strategies. The Group remains focused on enhancing the attractiveness and occupancy levels of its properties through tenant retention initiatives, flexible leasing arrangements, targeted marketing efforts, and selective asset enhancement programmes. In response to evolving tenant preferences, the Group continues to improve building quality, sustainability features, and operational efficiency, including the adoption of energy-saving initiatives and enhancements to wellness-focused facilities, to remain competitive and aligned with changing market expectations. The Group also continues to closely monitor market conditions and optimise its cost structure to mitigate the impact of inflationary pressures and rising operating costs.

Within the hospitality segment, the Group continues to enhance customer experience, service quality, and digital engagement initiatives to strengthen its market positioning amid increasing competition from alternative accommodation providers and evolving travel trends. Marketing and promotional activities are continuously refined to attract both domestic and international travelers, while operational improvements and preventive maintenance programs are implemented to manage the rising costs associated with aging properties. In addition, the Group remains focused on maintaining prudent financial management, diversifying revenue streams, and strengthening operational flexibility to better withstand fluctuations in tourism demand and broader economic uncertainties.

Duty Free Outlet at Pengkalan Hulu, Perak

OUTLOOK & PROSPECTS

Malaysia's economic outlook for 2026 remains optimistic despite the challenging and uncertain global landscape, with growth projected at 4% to 5% by Bank Negara Malaysia. This is supported by robust domestic demand, moderate inflation, a sound financial sector and a resilient external position.[1]

The Group remains cautious about the outlook for FY2027, given the fragile economic recovery and the impact of several evolving factors, including inflation management, effective cost control, and the continuation of government fiscal support for business. As a result, the Group anticipates that cost control measures will remain strong and continue into the foreseeable future.

Automotive component parts manufacturing

The Malaysian automotive industry recorded a second consecutive year of record performance in 2025, with TIV reaching 820,752 units, representing a modest 0.5% increase from 2024. While this reflects continued underlying demand, growth has begun to moderate in line with a more cautious consumer environment.

Looking ahead, the Malaysian Automotive Association ("MAA") has projected a 3.8% decline in TIV to 790,000 units in 2026, amid global trade uncertainties, tighter financial conditions, and slower economic expansion in Malaysia. Against this more challenging outlook, the Group's Automotive component parts manufacturing segment remains prudently optimistic, supported by its strong fundamentals, and will continue to adopt a disciplined and adaptive approach to navigate evolving market conditions while sustaining operational and financial resilience.

Duty Free Retail

The Duty Free Retail segment is expected to operate in a challenging and evolving environment shaped by economic uncertainty, shifting consumer spending patterns, and intensifying competition from both traditional and alternative retail channels. While global travel demand continues to recover and support long-term growth prospects, consumer behaviour has become more cautious and value-driven, requiring operators to remain agile and adaptive in their strategies. Strategic focus will be placed on disciplined resource allocation, cost optimisation, and enhanced operational efficiency to safeguard margins, while actively pursuing synergistic business opportunities within the Duty Free Retail segment. At the same time, the Group will continue to strengthen its value proposition through targeted offerings, improved customer engagement, and selective investments to remain competitive and resilient in a dynamic market environment.

Property and Hospitality

The Klang Valley office market continues to face structural oversupply, with new completions outpacing demand and keeping vacancy rates elevated, while rental rates remain under pressure amid cautious business expansion and a shrinking tenant pool. At the same time, evolving workplace trends, including hybrid arrangements and the growing preference for flexible, co-working, and managed office spaces, continue to reshape demand. In this challenging environment, the Group leverages the strategic location of its property and adopts a flexible, market-responsive approach through competitive rental offerings, enhanced amenities, and strong service standards to attract and retain tenants while maintaining asset relevance.

Meanwhile, the hospitality segment in the United Kingdom faces heightened competition from alternative accommodation providers such as Airbnb, alongside more value-conscious travel behaviour. To remain competitive, the Group will continue to implement innovative marketing strategies and progressively upgrade its facilities and service offerings to enhance guest experience and strengthen its market positioning.

CLOSING REMARK

In light of the ongoing economic headwinds and uncertainties, the Group will continue to exercise prudence in the management of its operations. We remain firmly focused on strengthening operational efficiency and upholding high standards of performance across all areas of the business. In tandem with these efforts, we will proactively identify new growth opportunities and pursue strategic partnerships and collaborations to expand our regional presence. Through these initiatives, we will be better positioned to navigate evolving challenges while enhancing the value delivered to our stakeholders. Anchored in strong corporate governance, entrepreneurial spirit, and a firm commitment to sustainability, we will build on our solid foundation to drive resilient growth and create sustainable long-term returns.

Source:

[1] Bank Negara Malaysia Publishes Annual Report 2025, Economic and Monetary Review 2025 and Financial Stability Review for Second Half 2025
https://www.bnm.gov.my/-/ar2025-pr

[2] Malaysian Automotive Association Press Release 2025
https://www.maa.org.my/pdf/2025/Market_Review_2025.pdf

Kuala Lumpur City Centre: A Hub of Growth and Opportunity

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Welcome to the Atlan Holdings Bhd ("Atlan" or "the Group") Sustainability Statement 2026 ("Statement").

This Statement reflects the Group's continued commitment to transparent, consistent and decision-useful disclosure of sustainability-related risks, opportunities and performance.

As expectations from shareholders, regulators, customers and the wider community continue to evolve, the Group has strengthened its approach to:

- Sustainability governance
- Risk management
- Sustainability reporting

These enhancements ensure sustainability considerations remain embedded within business strategy and day-to-day operations.

This Statement provides stakeholders with a clear overview of how the Group manages its Economic, Environmental, Social and Governance ("EESG") priorities and positions the business for long-term resilience and value creation.

Reporting Scope and Boundaries	Unless otherwise specified, the scope of this Statement covers Atlan Holdings Bhd ("Atlan") and its key operating subsidiaries where the Group holds managerial control, as outlined in the Corporate Structure section of the Atlan Annual Report 2026: • Duty Free International Limited ("DFIL"), the immediate holding company of the following subsidiaries: - o DFZ Capital Sdn. Bhd. ("DFZ"), the Group's duty free retail arm; and o United Industries Holdings Sdn. Bhd. ("UIG"), the Group's automotive component parts manufacturing arm • Atlan KLCC Properties Sdn. Bhd. (formerly known as Naluri Properties Sdn. Bhd.) ("Atlan KLCC") and Belle Isle Hotels (Cornwall) Management Limited ("BIM"), which form the Group's Property and Hospitality arm
References	All references to Atlan or "the Group" refer to Atlan Holdings Bhd and its subsidiaries. Individual references to DFIL, DFZ, UIG, Atlan KLCC, Cornwall Hotel or BIM refer only to the specific entity.
Reporting Period	This Statement covers the Group's financial year from 1 March 2025 to 28 February 2026 ("FY2026"). The Group also includes information from preceding and subsequent periods to ensure comparability and completeness.

ABOUT THIS SUSTAINABILITY STATEMENT (CONT'D)

Reporting Principles and Guidelines	Principal Guidelines: • Global Reporting Initiative ("GRI") Standards • Bursa Malaysia Enhanced Sustainability Reporting Framework Additional Guidelines: • The United Nations Sustainable Development Goals ("UNSDGs") • International Organisation for Standardisation ("ISO") 26000:2010 Guidance on Social Responsibility • Sustainability Accounting Standards Board ("SASB") • The Taskforce on Climate-Related Financial Disclosures ("TCFD") • IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) • IFRS S2 (General Requirements for Climate-related Disclosures)
NSRF Readiness	The National Sustainability Reporting Framework ("NSRF"), issued by Bursa Malaysia, establishes a phased approach to sustainability disclosures for listed issuers, aligned with international standards, including IFRS S1 and IFRS S2. The framework introduces structured requirements covering governance, strategy, risk management, metrics and targets, with an initial emphasis on climate-related disclosures under IFRS S2. Under the NSRF timeline, companies are categorised into two implementation groups. As a Group 2 company, Atlan is not subject to the earliest mandatory reporting requirements. Nevertheless, the Group adopts a proactive approach through early adoption of key elements of the framework, prioritising alignment with IFRS S2 to strengthen climate-related disclosures and enhance transparency on climate risks and opportunities. This approach enables the Group to progressively build internal capabilities, strengthen data management processes and integrate climate considerations into decision-making, positioning Atlan for full compliance with NSRF requirements ahead of the mandated timeline.
Accuracy and Reliability	The Group's internal auditors carefully reviewed and validated this Report before submitting it to the Board of Directors for approval.
Feedback	Stakeholder feedback drives progress and strengthens performance improvement throughout the Group's sustainability journey. The Group welcomes feedback, inquiries, suggestions and concerns. Stakeholders may reach the Group at info@atlan.com.my. The Group values all input and uses it to guide future sustainability efforts.

WHO WE ARE

Atlan's core activities include investment holding, management services and other related functions. Its subsidiaries operate across diverse sectors, including automotive component parts manufacturing, trading of duty free, duty paid and non-dutiable merchandise, property and hospitality.

Automotive Component Parts Manufacturing

The automotive industry is a cornerstone of global industrial and economic activity, deeply woven into national economies and cultures. Beyond vehicle production, it drives demand across diverse sectors — from raw materials and construction to machinery, semiconductors, IT, legal, and financial services — making it one of the most interconnected and influential industries worldwide.

UIG has over five decades of experience producing and supplying quality automotive component parts to Original Equipment Manufacturers ("OEM") in Malaysia. UIG specializes in the manufacturing and supply of automotive component parts, including plastic and metal fuel tanks, metal stamping parts, screw jacks, tubings, fuel filler necks, and instrument panels, alongside a wide range of other production and assembly parts that support OEM and Tier-1 automotive operations.

Duty free Retail

DFZ provides an exclusive duty free shopping experience beyond travellers' expectations, delivering the highest customer service standards and retail execution. DFZ offers an extensive range of premium international brands, including imported duty free beverages, tobacco products, chocolates, confectionery, perfumery, cosmetics and souvenirs.

DFZ is Malaysia's reputable multi-channel duty free and duty-paid retailing brand. Reaching out across Malaysia under the brand name "Zon", these outlets cater to domestic and international customers. They are strategically located at leading entry and exit points in Peninsular Malaysia, including duty free zones, border towns and popular tourist destinations.

Property and Hospitality

Property, investment holding and real estate can advance sustainability by meeting economic and social criteria.

Atlan's property arm manages a 23-storey office tower: Menara Atlan.

Based in Cornwall, United Kingdom, BIM owns and operates a four-star full-service hotel, providing accommodation, spa and leisure facilities.

The Zon All Suites Residences on the Park ("Zon Hotel") is a serviced apartment, which is currently undergoing refurbishment and will resume operations in near future.

WHO WE ARE (CONT'D)

KEY SUSTAINABILITY MILESTONES

Economic	• RM411 million revenue generated across diversified automotive component parts manufacturing, duty free retail, property and hospitality segments • 86.7% average compliance score achieved across 8 audited suppliers • RM122 million total economic value distributed • Climate-related risks embedded into capital expenditure, operating expenditure forecasting and long-term asset planning
Environmental	• 211.3 kWp rooftop solar installed in duty free retail operations, generating 276.9 MWh annually • UIG completed Phase 2 solar installations at Block F, Meru Plant 1 and Phase 3 at Pegoh Plant 2, both energised in June 2025, with a total investment of RM1.95 million. Together with Phase 1, energised in March 2024, UIG's total installed solar capacity is 1,500.43 kWp. • 650 kWh solar array + 200 kWh battery storage supplying approximately 50% of hotel electricity demand • 35% reduction in grid electricity dependency achieved via solar installations (automotive component parts manufacturing arm) • 5% electricity reduction target set for automotive component parts manufacturing operations • Scheduled waste managed under eSWIS in full compliance with Environmental Quality Regulations
Social	• Zero fatalities recorded across all divisions • Maintained a 99% local workforce across duty free operations • Employee satisfaction scores sustained at 76–79% over three years • ISO 45001-certified occupational health and safety management system (manufacturing) since 2017 • RM66,900 school aids disbursed to support 446 children through Yayasan Harmoni
Governance	• Sustainability and climate responsibilities formally embedded in the Board's Terms of Reference • Climate and sustainability risks integrated into the Group's Enterprise Risk Management framework • IFRS-aligned disclosures, particularly in climate reporting • 100% regulatory compliance achieved, with zero penalties and no reported cases relating to environmental, social or governance matters

DRIVING SUSTAINABILITY, SHAPING TOMORROW

Atlan integrates sustainability across its businesses to support long-term value creation and responsible growth.

The Group embeds ESG principles into operations and decision-making, with a focus on:

- Resource efficiency
- Carbon reduction
- Ethical supply chain management

Across its business segments, Atlan pursues continuous improvement to reduce environmental impact while supporting positive community outcomes.

Strategic sustainability initiatives strengthen organisational resilience and position the Group to contribute to a more sustainable future.

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.

Our Core Values

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

Our Sustainability Pillars

Environmental	Social	Governance

SUSTAINABILITY STATEMENT

(CONT'D)

OUR SUSTAINABILITY FRAMEWORK (CONT'D)

Our Material ESG Factors

- Climate Change & Emissions
- Energy
- Waste & Resources
- Water
- Pollution & Environmental Impact

- Safety & Wellbeing
- Talent Development
- Diversity, Equity & Inclusion
- Quality & Safety
- Responsible Business
- Efficiency, Innovation & Productivity
- Community

- Corporate Governance & Ethics
- Supply Chain Management
- Risk Management & Resilience
- Data Privacy & Cybersecurity

Our Stakeholders

Our Alignments

SGX GRI TCFD SASB ISO 26000 SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABILITY GOVERNANCE

Atlan integrates sustainability and climate-related considerations into its governance structure to support long-term value creation and responsible business conduct. The Board has overall accountability for:

- Overseeing sustainability and climate-related risks and opportunities
- Incorporating these matters into the Group's strategy, business planning and key decision-making processes

The Board's mandate includes setting the Group's sustainability and climate-related strategic priorities and targets, approving significant sustainability-related initiatives and monitoring performance against defined indicators. The Board also reviews sustainability and climate-related developments relevant to Atlan's operations. It evaluates the adequacy of the governance structures, policies and processes used to identify, assess and manage these matters across the Group.

SUSTAINABILITY GOVERNANCE (CONT'D)

Sustainability and climate-related considerations form part of the Board's review of strategy, investments and operational priorities. Management provides regular updates on sustainability performance, key risks, emerging developments and progress against targets. The Board also oversees incorporating sustainability and climate-related responsibilities into Management's performance expectations, including relevant objectives and performance indicators, where appropriate.

Management is responsible for implementing Atlan's sustainability strategy and initiatives across its business operations and for maintaining appropriate processes to support sustainability performance, monitoring and reporting.

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 Director(s)/Group Chief Executive Officer

- 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

MANAGING RISKS

The Group integrates sustainability-related risks, including climate-related considerations, into its Enterprise Risk Management ("ERM") framework, covering both financial and non-financial risk dimensions. Sustainability and climate-related risks are assessed with the same level of rigour as corporate, financial and operational risks to ensure consistent governance, structured evaluation and effective oversight across the organisation.

Management identifies, assesses and monitors key sustainability and climate-related risk exposures, including climate change-related physical and transition risks, resource and energy dependency, as well as evolving regulatory and policy requirements. The Group assigns clear risk ownership, with designated risk owners responsible for implementing mitigation measures and monitoring relevant risk indicators.

The ERM framework requires systematic evaluation, prioritisation and ongoing monitoring of identified risks. Management implements mitigation actions where necessary and periodically reviews risk appetite to reflect evolving sustainability considerations and operating conditions.

The Board, supported by Management, oversees the integration of sustainability and climate-related risks within the ERM framework, reinforcing accountability at the highest level.

The Group aligns its climate-related risk disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and the requirements of IFRS S1 and IFRS S2. This alignment supports transparent, decision-useful and financially relevant sustainability reporting.

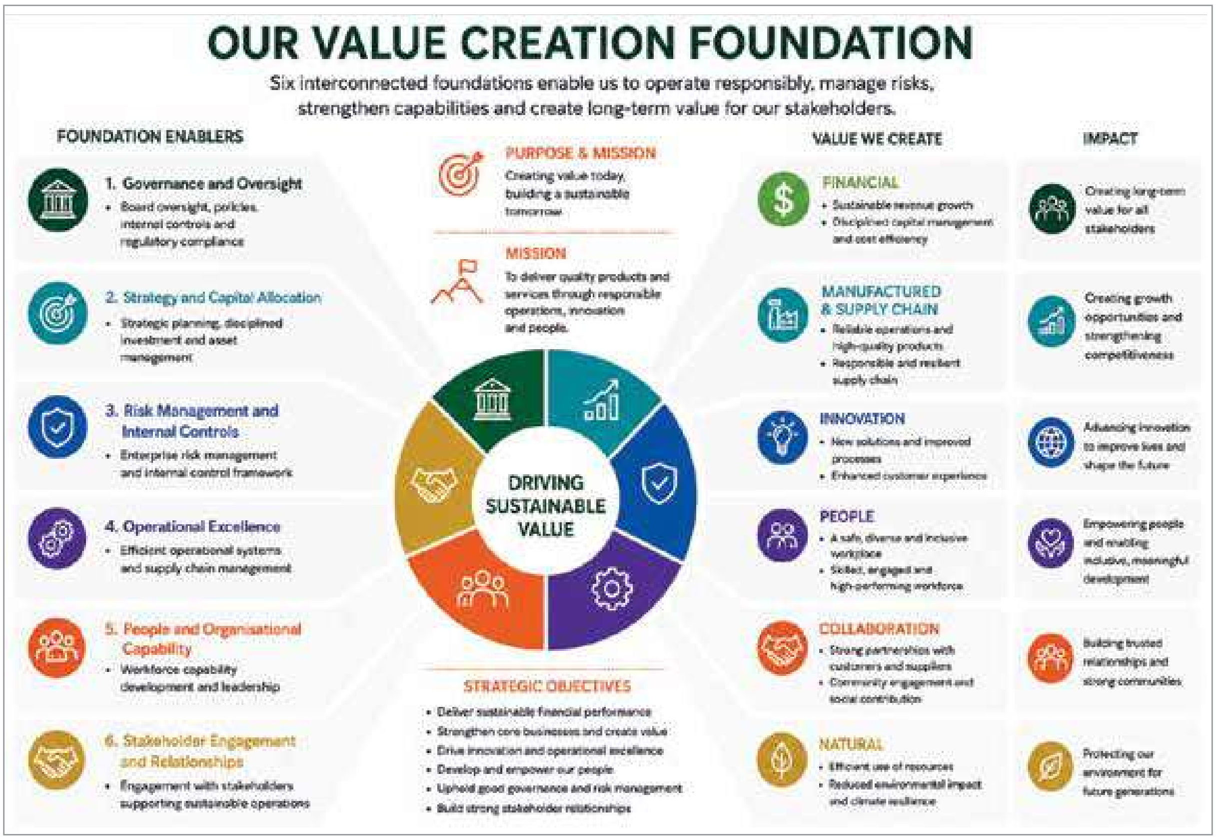
Page 85 of the Annual Report 2026 provides further details of Atlan's climate risk management.

VALUE CREATION MODEL

As an investment holding company, Atlan also plays a key role in allocating capital, overseeing strategic direction, and supporting its subsidiaries to enhance operational efficiency and sustainable growth. Atlan creates sustainable value by effectively managing institutional risks and fostering long-term prosperity for all stakeholders. Through its diversified operations in duty free retail, automotive component parts manufacturing, and property and hospitality, the Group adopts an integrated value creation approach supported by six interconnected enablers: robust governance, strategic capital allocation, risk management, operational excellence, organisational capability, and strong stakeholder engagement.

Grounded in the Group's core purpose and mission, these enablers guide Atlan's strategic objectives and ensure that day-to-day operations remain aligned with its commitment to sustainable financial performance, responsible business practices, and the protection of community and environmental interests.

VALUE CREATION MODEL (CONT'D)



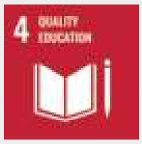
The Group's value creation is driven by the disciplined deployment of key capitals, including financial resources, infrastructure, skilled workforce, technical expertise, and stakeholder relationships. These capitals enable Atlan to deliver quality products and services, generate sustainable financial returns, and maintain operational resilience in an evolving business environment. Beyond financial performance, Atlan's multi dimensional value creation model contributes to fostering safe and diverse workplace, advancing innovation to improve lives, and strengthening climate resilience through efficient resource utilisation. Through this integrated approach, Atlan continues to protect the environment for future generations while reinforcing its long-term competitiveness and sustainability.

The value creation model below illustrates how the Group transforms these capitals into outputs, outcomes and long-term impacts, contributing to economic growth, stakeholder value and alignment with global goals.

VALUE CREATION MODEL (CONT'D)

Capitals	Inputs	Outputs	Outcomes and Impacts	Alignment with the UNSDGs
Financial Capital	• Shareholder equity and retained earnings • Revenue from retail, automotive component parts manufacturing, property and hospitality operations • Access to capital markets (Bursa Malaysia listing) • Investment funding for expansion, acquisitions and asset management	• Investment in retail outlets, manufacturing facilities, property and hotel operations • Acquisition and management of strategic assets (e.g. Belle Isle Hotels, Menara Atlan) • Procurement of inventory, raw materials and operational services	• Sustained revenue generation and profitability • Enhanced asset value and financial resilience • Long-term shareholder value creation • Economic contribution through taxes, wages and supplier spending	
Manufactured Capital	• Retail outlets at border towns and tourist locations • Manufacturing plants and machinery • Menara Atlan office tower • Hotel and hospitality facilities	• Production of automotive component parts for OEMs • Retail distribution of duty free and duty-paid products • Hospitality services and property leasing	• Increased operational efficiency and productivity • Strengthened industrial and tourism infrastructure • Improved accessibility of retail and hospitality services • Long-term support for economic and infrastructure development	

VALUE CREATION MODEL (CONT'D)

Capitals	Inputs	Outputs	Outcomes and Impacts	Alignment with the UNSDGs
Human Capital	• Skilled workforce across retail, manufacturing and hospitality • Management expertise and technical capability • Training and workforce development	• Delivery of retail, manufacturing and hospitality services • Operational and technical management of business activities	• Improved product quality and customer experience • Enhanced workforce capability and productivity • Creation of employment opportunities • Contribution to workforce development and livelihoods	 
Intellectual Capital	• Established duty free retail brand ("Zon") • Automotive component parts engineering expertise • Operational systems and management processes	• Efficient retail and manufacturing operations • Strong brand recognition and customer trust • Consistent product quality and service delivery	• Strengthened market competitiveness and customer trust • Improved operational efficiency and business performance • Long-term business sustainability and growth	 

VALUE CREATION MODEL (CONT'D)

Capitals	Inputs	Outputs	Outcomes and Impacts	Alignment with the UNSDGs
Social and Relationship Capital	• Relationships with customers, suppliers and OEM partners • Engagement with regulators and communities • Strategic business partnerships	• Delivery of retail, hospitality and manufacturing services • Stable supply chain operations • Regulatory compliance	• Increased customer satisfaction and loyalty • Strengthened supply chain stability and business continuity • Enhanced stakeholder trust and reputation • Positive economic contribution to local communities	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Natural Capital	• Energy consumption across operations • Raw materials for manufacturing • Land and property assets	• Operation of retail, manufacturing and hospitality facilities • Production of automotive component parts	• Efficient use of natural resources • Reduced resource intensity through operational efficiency • Support for sustainable industrial and economic development • Contribution towards responsible resource management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

STRENGTHENING STAKEHOLDER BONDS

Atlan recognises that meaningful stakeholder engagement is fundamental to long-term value creation and responsible business conduct. As a diversified group, the Group engages with a wide range of stakeholders through open, transparent and constructive channels to understand their priorities, address key concerns in a timely and appropriate manner, and incorporate relevant insights into strategic decision-making processes. Feedback gathered through these ongoing engagements supports continuous improvement in operations, strengthens risk management and governance practices, and enhances the Group's overall business sustainability and strategic planning.

Stakeholder Engagement Areas and Platforms

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

STRENGTHENING STAKEHOLDER BONDS (CONT'D)

Stakeholder Engagement Areas and Platforms (Cont'd)

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Customers			• Collaborate closely with OEMs on product development and innovation roadmaps • Use informal engagements to build trust, strengthen relationships and capture unstructured feedback	• Strengthens long-term contracts and joint venture opportunities • Enhances reputation as a reliable, compliant and innovative manufacturing partner • Supports sustainability positioning in global supply chains
Employees	• Annual performance review • Intranet portal • Email communications • Internal meetings` • Townhalls and leadership dialogues • Employee surveys and suggestion schemes • Informal engagements • Health and safety activities	• Work-life balance and welfare • Career progression and training • Benefits and rewards • Workplace safety and compliance • Transparent communication and inclusion • Recognition and fair treatment	• Implementing robust wellness and training programs. • Strengthening recognition and reward systems. • Regular health and safety initiatives to ensure a safe work environment. • Providing clear career pathways and continuous learning opportunities • Fostering open communication channels and an inclusive culture	• Aligns HR strategies with employee needs, improving retention and reducing turnover. • Supports business productivity through continuous training and skills development. • Strengthens workplace culture engagement and innovation • Reduces turnover and enhances long-term organisational performance

STRENGTHENING STAKEHOLDER BONDS (CONT'D)

Stakeholder Engagement Areas and Platforms (Cont'd)

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Employees			• Encourage informal engagements to build trust and morale	• Enhances compliance and reduces operational risks • Builds long-term organisational resilience and performance
Board of Directors	• Board meetings • Email communications • Board Committees review • Informal engagements	• Regulatory compliance • Corporate governance and risk review • Economic and financial performance • Risk management and oversight • Long-term strategic direction • Transparency and accountability	• Regular updates on governance, compliance, and financial health. • Transparent reporting on financial and strategic developments.	• Aligns business strategies with long-term governance goals. • Drives decisions on corporate performance and risk management. • Maintains ongoing compliance with applicable regulations and shapes corporate policies accordingly. • Provides direction on strategic planning and risk mitigation.

STRENGTHENING STAKEHOLDER BONDS (CONT'D)

Stakeholder Engagement Areas and Platforms (Cont'd)

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Government and Regulators	• Formal meetings • Dialogues	• Regulatory compliance • Economic performance • Societal welfare	• Strict adherence to local and international regulations. • Regular discussions on societal and environmental impacts.	• Monitors and manages compliance obligations to reduce the risk of fines or sanctions. • Shapes strategy to align with regulatory changes and national welfare goals. • Influences decision-making regarding environmental and social policies.
Investors	• Media releases • Website investor relations section • Bursa announcements • Dialogues • Annual reports	• Regulatory compliance • Financial performance • New developments of the Group • Return on investment and dividend distribution	• Regular communication through reports and meetings. • Responding to financial and ESG-related questionnaires.	• Strengthens investor confidence and market performance. • Aligns business strategy with investor expectations and ESG goals. • Influences decisions on capital allocation and long-term growth plans. • Supports transparency in financial reporting.

STRENGTHENING STAKEHOLDER BONDS (CONT'D)

Stakeholder Engagement Areas and Platforms (Cont'd)

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Suppliers	• Meetings and dialogues • Email communications • Trade fairs and events	• Responsible and sustainable practices throughout the supply chain • Fair and transparent procurement • Capacity building	• Engaging suppliers to understand their needs and ensure long-term business relations. • Supporting supplier development through training.	• Strengthens supplier relationships, ensuring reliability. • Integrates sustainable sourcing practices into procurement strategies. • Promotes continuous improvement in the supply chain. • Enhances operational efficiency by fostering collaboration.
Financiers	• Financial reports • Regular meetings	• Compliance with financiers' terms and conditions • Timely and regular updates on financial performance, business strategy and additional investor requirements	• Consistent communication through in-person meetings and conference calls.	• Builds trust with financial partners, ensuring continued access to capital. • Aligns financial strategy with investment and growth objectives. • Strengthens relationships with key financiers to support business expansion. • Helps in securing favourable financing terms.

STRENGTHENING STAKEHOLDER BONDS (CONT'D)

Stakeholder Engagement Areas and Platforms (Cont'd)

Stakeholder Group	Engagement platforms	Interests and Key Concerns	Our Response	Impact on Strategy
Local communities	• Donations and philanthropic activities • Community investments	• Supporting local communities in social, environmental and capacity development • Fostering collaborative partnerships	• Regular community outreach initiatives. • Supporting local development through partnerships.	• Enhances brand image and fosters goodwill in the community. • Strengthens relationships with local stakeholders and organisations. • Supports long-term community development and social impact. • Helps in maintaining a positive reputation as a responsible corporate citizen.

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY

This year, we have reaffirmed our commitment to double materiality, especially following DFIL's acquisition of UIG. The revamped materiality assessment reflects Atlan's restructured operations, with key material topics redefined and streamlined to better align with the Group's operational goals and broaden sustainability objectives. This approach ensures that business and sustainability strategies align with evolving stakeholder expectations and regulatory requirements.

METHODOLOGY

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

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

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

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

Stakeholders Invited to Complete the Materiality Assessment

- **Customers**
- **Employees**
- **Suppliers**
- **Local Communities**
- **Financiers**
- **Investors**
- **Government, Regulators, Certification Bodies and Other Formal Organisations**

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY (CONT'D)

CREATING A GLOBAL IMPACT THROUGH MATERIALITY

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

Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	UNSDG Alignment
Environment					
Climate Change and Emissions	Managing carbon emissions and strengthening our response to climate impacts and opportunities across all operations	• Reduced operating costs through energy efficiency • Access to green financing • Long-term sustainability through emissions reduction	• Rising energy costs • Regulatory carbon taxes • Supply chain disruptions due to climate events	• Natural capital • Financial capital	
Energy	Minimising energy consumption, improving efficiency and exploring cleaner energy options	• Enhanced operational efficiency • Cost savings through energy management	• Volatility in energy prices • Transition risks in energy systems	• Natural capital • Manufactured capital	
Waste and Resources	Managing waste responsibly, including waste minimisation and recycling, while improving the efficiency of material use	• Cost savings from material efficiency • Positive brand reputation through sustainable practices	• Increased waste disposal costs • Regulatory non-compliance	• Natural capital • Manufactured capital	

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY (CONT'D)

CREATING A GLOBAL IMPACT THROUGH MATERIALITY (CONT'D)

Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	UNSDG Alignment
Environment					
Water	Responsible use of water and proper discharge of wastewater from facilities and sites	• Reduced operational costs through water conservation • Enhanced resilience to water-related disruptions	• Regulatory pressure on water use • Risks to operations in water-scarce regions	• Natural capital	6 Clean Water and Sanitation 12 Responsible Consumption and Production
Pollution and Environmental Impact	Having measures to prevent pollution (air, noise, soil, water) and minimising environmental impacts from operations	• Reduced environmental liabilities • Strengthened community and regulatory trust	• Environmental fines and penalties • Reputational risks from environmental damage	• Natural capital • Social and relationship capital	12 Responsible Consumption and Production 15 Life on Land
Social					
Safety and Wellbeing	Providing a safe, healthy and supportive work environment	• Improved productivity and employee morale • Enhanced reputation as an employer of choice	• Workplace accidents • Health-related absenteeism	• Human capital • Social and relationship capital	3 Good Health and Well-Being 8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY (CONT'D)

CREATING A GLOBAL IMPACT THROUGH MATERIALITY (CONT'D)

Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	UNSDG Alignment
Social					
Talent Development	Upskilling employees, improving competencies and supporting career development	• Stronger workforce capability • Improved employee retention and loyalty	• Skills shortages or gaps in key areas • High employee turnover impacting productivity	• Human capital • Social and relationship capital	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
Diversity, Equity and Inclusion	Ensuring fair treatment, equal opportunities and respect for workforce diversity	• Broader talent pool • Stronger decision-making through diverse perspectives	• Lack of diversity leading to innovation stagnation • Reputational damage from perceived inequities	• Human capital • Social and relationship capital	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
Quality and Safety	Delivering safe, reliable and compliant products and services that meet customer expectations and quality standards	• Customer loyalty through high-quality offerings • Competitive differentiation in the market	• Product recalls or quality issues • Customer dissatisfaction and loss of market share	• Manufactured capital • Intellectual capital	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Responsible Business	Ensuring positive customer interactions, transparency and ethical practices	• Strengthened trust and relationships with stakeholders • Improved long-term financial performance through ethical practices	• Breaches of ethical or regulatory standards • Reputational risks from unethical business practices	• Financial capital • Social and relationship capital	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY (CONT'D)

CREATING A GLOBAL IMPACT THROUGH MATERIALITY (CONT'D)

Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	UNSDG Alignment
Social					
Community	Supporting local communities through positive social impact	• Strengthened community relations • Enhanced corporate image and brand loyalty	• Community opposition or dissatisfaction • Risks from failing to meet local community expectations	• Intellectual capital • Social and relationship capital	 
Governance					
Corporate Governance & Ethics	Maintaining strong governance, ethical conduct and compliance with laws	• Stronger investor confidence • Improved long-term strategic alignment	• Governance failures • Regulatory non-compliance or legal risks	• Financial capital • Intellectual capital	 
Supply Chain Management	Working with suppliers to ensure quality, ethical and ESG standards, while managing risks across the supply chain	• Improved supplier reliability and performance • Long-term cost savings from sustainable sourcing	• Supply chain disruptions • Non-compliance with sustainability or ethical standards	• Financial capital • Manufactured capital • Social and relationship capital	 
Risk Management and Resilience	Managing operational, strategic and climate-related risks while maintaining financial stability	• Enhanced business continuity • Improved long-term strategic planning	• Inadequate risk preparedness • Exposure to environmental or supply chain shocks	• Human capital • Financial capital	 

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY (CONT'D)

CREATING A GLOBAL IMPACT THROUGH MATERIALITY (CONT'D)

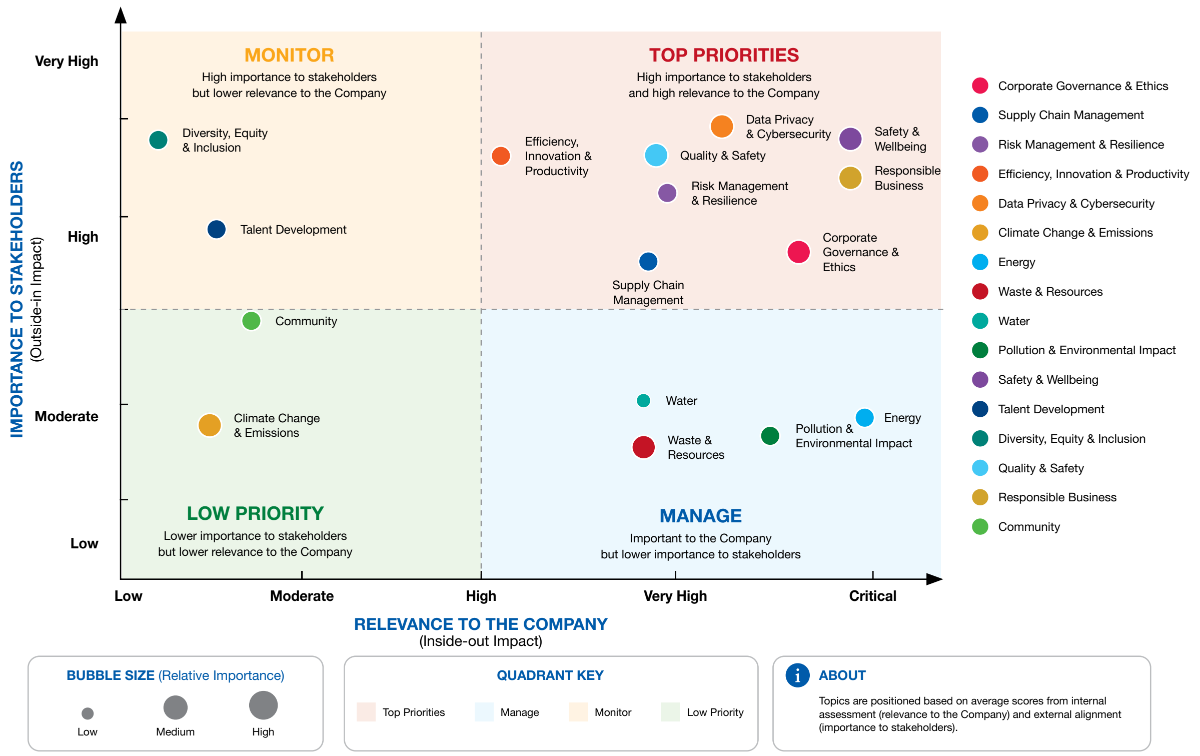
Material Matter	Our Commitment	Opportunities	Risks	Capitals Affected	UNSDG Alignment
Governance					
Efficiency, Innovation and Productivity	Enhancing productivity, cost efficiency and sustainability performance through technology, R&D and digitisation	• Competitive advantage through innovation • Cost reductions through improved productivity	• Stagnation in innovation • Operational inefficiencies impacting profitability	• Manufactured capital • Intellectual capital	
Data Privacy and Cybersecurity	Protecting business, employee and customer information from cyber threats	• Increased customer trust and satisfaction • Stronger regulatory compliance	• Cybersecurity breaches • Loss of customer data and trust	• Intellectual capital • Financial capital	

ALIGNING FOR IMPACT WITH DOUBLE MATERIALITY (CONT'D)

Atlan's Double Materiality Matrix

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

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



Note: The matrix reflects current assessment and may evolve as priorities and stakeholder expectations change.

ECONOMIC AND GOVERNANCE

Atlan drives economic sustainability through strong governance, ethical business conduct and reliable supply chain partnerships. Through its operations and disciplined capital management, the Group generates direct economic value through revenue, employment and asset investment, while also creating indirect value through procurement, supplier engagement and tax contributions. These activities strengthen business resilience and enable the Group to deliver sustained value to shareholders, stakeholders and the wider economy.

MANAGEMENT APPROACH

Atlan maintains a resilient and diversified business portfolio that supports long-term financial stability and growth. Through strategic investments in automotive component parts manufacturing, duty free retail, property and hospitality, the Group sustains stable revenue streams while adapting to evolving market conditions.

This approach emphasises disciplined capital allocation, operational efficiency and prudent risk management, enabling the Group to maintain competitiveness and capture growth opportunities. Strong financial oversight and responsible business practices further strengthen the Group's ability to deliver consistent economic value and long-term returns to stakeholders.

Atlan's financial performance for FY2026 reflects this approach and demonstrates the direct economic value generated and the economic value distributed, as presented in the table below.

Our Value Distribution

	FY2024 RM'000	FY2025 RM'000	FY2026 RM'000
Economic value generated*	143,538	191,196	146,506
Economic value distributed			
Employees (Salary and other benefits)	75,227	76,435	71,628
Government (Income tax)	9,528	11,202	12,442
Providers of capital (Dividends and finance costs)	42,420	51,881	37,928
Community (Donations)	350	1,150	500
Total Economic Value Distributed	127,525	140,668	122,498

*Represents revenue and other income net off operating expenses

ADVANCING DIGITAL CAPABILITIES ACROSS THE GROUP

As consumer expectations and business models continue to evolve, the Group remains focused on identifying practical opportunities to strengthen operational effectiveness and long-term resilience through digital transformation. Across its portfolio, the role and relevance of digital channels vary according to the nature of each business, its customer profile and operating model.

Within the duty free retail segment, the Group, through DFZ, is exploring opportunities to strengthen digital engagement and improve operational efficiency through potential e-commerce and online service capabilities. Following the rationalisation of selected retail outlets, digital channels are being assessed as a complementary platform to improve accessibility, enhance customer convenience and support leaner operations. The evaluation also reflects changing consumer preferences, increasing digital adoption and the need to remain responsive to an evolving retail environment.

The transition presents potential opportunities across three key dimensions:

Environmental Efficiency

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

Customer Accessibility

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

Operational Optimisation

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

DFZ continues to assess the commercial and operational viability of this. In contrast, the Group's automotive component parts manufacturing arm, UIG, operate under a fundamentally different business model. Its activities are primarily relationship-driven, anchored by long-term customer partnerships and sustained through recurring orders. Direct engagement across the production lifecycle is central to products delivery as customers typically require customised specifications, technical coordination and continuous quality assurance, making close interaction not just beneficial, but essential to meeting customer expectations and maintaining trust.

Accordingly, digital retail channels do not play any role within automotive component parts manufacturing operations, where customer engagement, production planning and order fulfilment are managed through established business relationships rather than online transactions. As such, there is no reliance on e-commerce in the performance or effectiveness of the Group's automotive component parts manufacturing segment.

Similarly, within the Group's hospitality segment, operational performance remains largely driven by service quality, guest experience and operational efficiency in maintaining customer satisfaction and supporting business performance. While digital channels support customer engagement, booking accessibility and marketing efforts, these platforms primarily serve as complementary tools alongside the Group's core service-oriented operations and customer relationships.

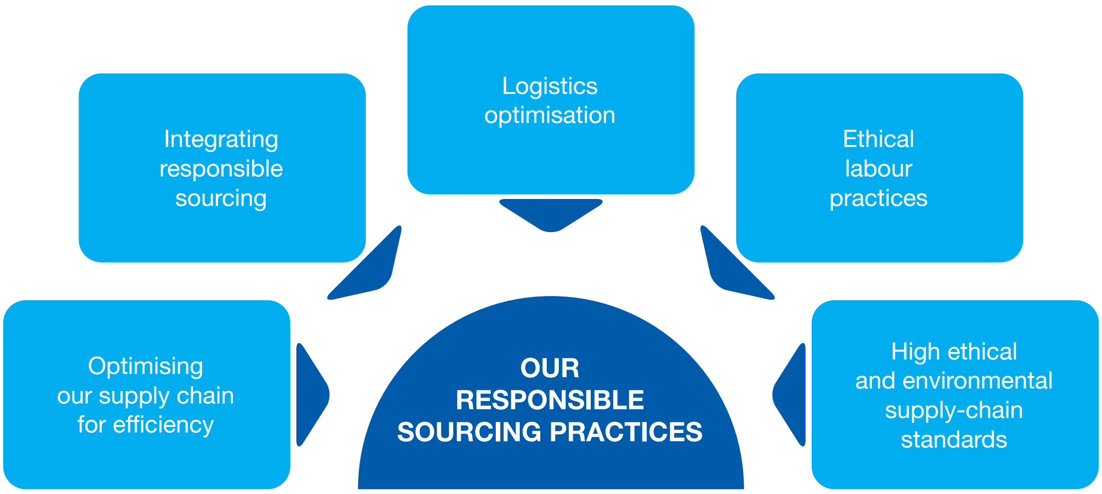
INDUSTRY ENGAGEMENT TO STRENGTHEN SECTOR DEVELOPMENT

Atlan actively engages with key industry associations and business networks across its business segments, recognising the importance of collaboration in supporting industry advancement and national economic development. These engagements enable the Group to contribute to knowledge exchange, support innovation, strengthen industry collaboration, stay informed of evolving developments and regulatory expectations, and promote the continuous improvement of operational efficiency, workforce practices and supplier relationships.

Segment	Memberships
Automotive Component Parts Manufacturing	• Honda Malaysia Supplier Club ("HMSC") • Perodua Suppliers Association ("P2SA") • Proton Vendor Association ("PVA") • Toyota Suppliers Association ("TSA") • Mazda Malaysia Vendors' Association • Malaysian Automotive Component Parts Manufacturers Association ("MACPMA") • Federation of Malaysian Manufacturers ("FMM") • Malaysia Employers Federation ("MEF")
Duty Free Retail	• Singapore Business Federation
Property and Hospitality	• Chamber of Commerce

SUSTAINABLE SUPPLY CHAIN

Atlan is committed to maintaining a responsible and resilient supply chain by working closely with suppliers and service providers to ensure operational reliability, uphold ethical standards and support long-term sustainability. The Group fosters transparent and accountable partnerships, supported by structured procurement practices, regular engagement and ongoing performance monitoring. These efforts strengthen service quality, minimise operational risks and ensure continuity across its operations.



SUPPLIER ENGAGEMENT AND RELATIONSHIP BUILDING

Atlan actively engages with its suppliers to reinforce operational standards, strengthen accountability and support continuous improvement across its supply chain. The Group conducts supplier engagement through various mechanisms, including supplier audits to assess compliance with quality, environmental and safety requirements, training programmes to strengthen product quality, regulatory compliance and operational practices, as well as site visits and operational briefings to reinforce operational and safety standards.

Through ongoing collaboration with suppliers, service providers, business partners and industry stakeholders, the Group continues to promote high standards of safety, quality, operational efficiency and sustainability throughout its supply chain and business operations.

Segment	Initiatives
Automotive Component Parts Manufacturing	UIG continues to prioritise supplier safety awareness. On 16 January 2026, UIG conducted a briefing outlining site entry requirements and vehicle regulations to reinforce adherence to safety standards across its operations.
Duty Free Retail	DFZ collaborates with Brown-Forman, a leading global spirits and wine company. Through this partnership, DFZ implemented structured training programmes that enhance product quality, strengthen compliance and support sustainability within its duty free operations.
Property and Hospitality	BIM maintains ongoing coordination with service providers, suppliers and independent auditors to ensure the reliability, safety and efficiency of operations, uphold quality standards, ensure regulatory compliance and support continuous operational improvement.

INTEGRATING ESG INTO SUPPLY CHAIN MANAGEMENT

Atlan integrates ESG considerations into its supply chain management to strengthen operational resilience, uphold ethical standards and support long-term sustainability. The Group's procurement framework establishes clear expectations for suppliers across key areas, including environmental management, ethical conduct, labour practices, health and safety and regulatory compliance.

Sustainability Criteria Assessed within Our Supply Chain

Environmental Supply Chain

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

Social Supply Chain

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

INTEGRATING ESG INTO SUPPLY CHAIN MANAGEMENT (CONT'D)

Sustainability Criteria Assessed within Our Supply Chain (Cont'd)

The Group prioritises working with suppliers that demonstrate responsible business practices and strong ESG credentials, while progressively expanding its supplier network to strengthen alignment with sustainability expectations. Atlan also collaborates with brand principals and suppliers that have established ESG initiatives, supporting efforts such as pallet recycling, glass bottle collection and packaging reduction. Embedding ESG considerations into supplier selection and procurement processes strengthens supply chain resilience, reduces operational risks and promotes responsible sourcing.

Automotive component parts manufacturing

Reinforces community engagement through local hiring and structured talent development initiatives. This approach strengthens workforce retention while contributing to long-term skills development within the communities it serves, including:

- Prioritises recruitment from local communities
- Collaborates with local universities to offer internships and industrial placements
- Supports the development of a sustainable local talent pipeline

Duty Free Retail

Collaborates with suppliers to implement practical sustainability initiatives that support the Group's environmental objectives and contribute to the achievement of its broader sustainability targets, including:

- Pallet recycling programmes
- Reduction of paper usage across operations
- Collection and recycling of empty glass bottles

Property and Hospitality

Prioritises local sourcing to enhance supply chain resilience and strengthen community linkages, including:

- Promote energy-efficient practices within assets under its management
- Supports local suppliers and businesses
- Reduction of paper usage across operations
- Prioritises recruitment from local communities
- Contributes to regional economic participation

PRIORITISING LOCAL

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

Local Economic Contribution Framework

Local Procurement Focus Areas

- Raw materials
- Packaging materials
- Spare parts and engineering components
- Capital expenditures
- Promotional materials
- Operational support services

Community and Economic Impact

- Support for local businesses
- Strengthened domestic supply networks
- Improved operational responsiveness
- Contribution to national economic growth

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

Segment	Local Procurement		
	FY 2024	FY 2025	FY 2026
Automotive component parts manufacturing	76%	66%	62%
Duty free retail	71%	67%	70%
Property and Hospitality*	100%	100%	100%

* The above percentage exclude BIM, whose the operation are entirely based in the United Kingdom.

ENHANCING OPERATIONAL EFFICIENCY

Operational efficiency remains a key priority across the Group as Atlan continues to strengthen cost management, coordination and long-term resilience across its diversified businesses. For automotive component parts manufacturing operations, UIG focuses on operational efficiency and logistics optimisation to support smooth production flow, timely delivery and cost-effective operations. Key activities comprise production planning, inventory management, warehouse organisation, procurement coordination and the efficient distribution of raw materials and finished goods. UIG also works closely with suppliers and logistics partners to improve delivery reliability, minimise disruptions and strengthen supply chain efficiency.

ENHANCING OPERATIONAL EFFICIENCY (CONT'D)

In FY2026, the Group's duty free retail arm, DFZ, led operational efficiency initiatives through supply chain consolidation and digitalisation efforts to enhance logistics coordination, inventory management and operational responsiveness. By consolidating beverage products into a single warehouse and implementing a real-time cloud-based information-sharing system, DFZ improved order fulfilment, optimised logistics operations, reduced delivery costs and transportation-related carbon emissions, while shortening lead times and strengthening customer service and overall operational efficiency.

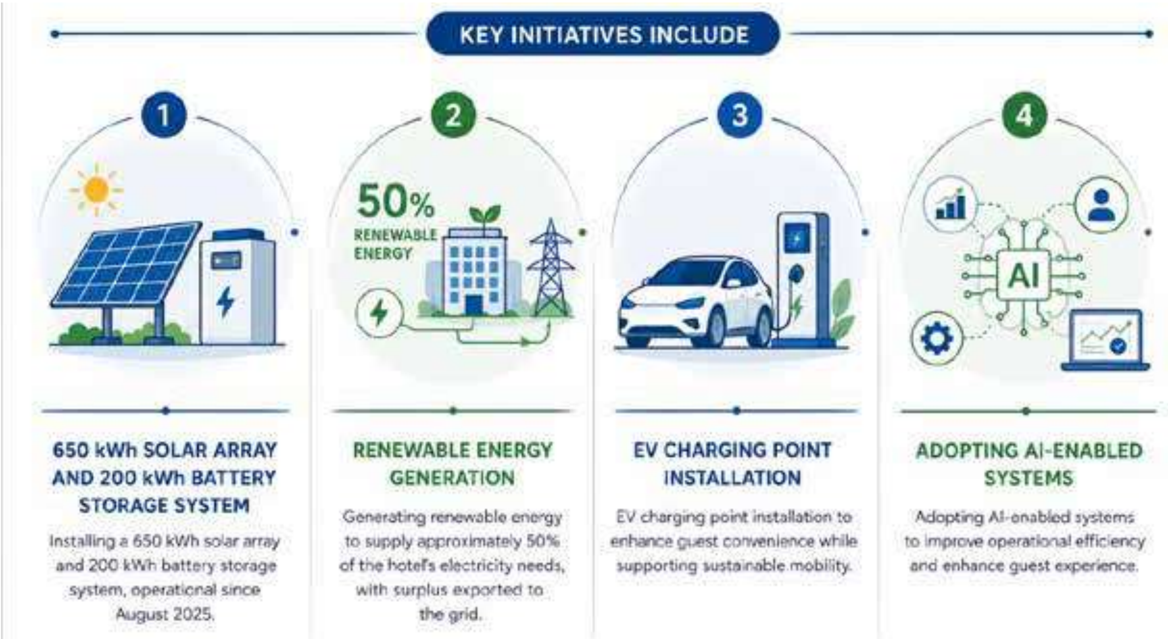
Within the Group's Property and Hospitality segment, operational efficiency efforts are focused on maintaining reliable building operations, optimising maintenance coordination and enhancing service delivery standards. The segment works closely with service providers, contractors and operational partners to strengthen facility management, improve maintenance scheduling and ensure efficient management of building infrastructure and hospitality services. Ongoing process improvement and digitalisation initiatives also support better operational coordination, resource management and customer responsiveness, while contributing to cost management and long-term operational resilience.

Atlan also continues to invest in upgrading and modernising its property and hospitality assets to enhance operational resilience, strengthen asset value and support long-term sustainability. During the year, Menara Atlan implemented a series of enhancements to strengthen safety standards, improve operational efficiency and enhance infrastructure reliability and readiness. These upgrades support evolving tenant needs, enhance building standards and strengthen the asset's long-term commercial viability and competitiveness.

ENHANCING OPERATIONAL EFFICIENCY (CONT'D)

These upgrades enhance building standards, support evolving tenant needs and strengthen the asset's long-term commercial viability, contributing to the sustainability and competitiveness of the commercial property sector.

At BIM, Atlan also continued to invest in operational enhancements and sustainable infrastructure to improve efficiency, strengthen energy resilience and support long-term asset performance. Ongoing refurbishment and upgrading works across guest rooms and public areas were undertaken to maintain asset quality, enhance guest experience and reinforce market positioning. Collectively, these initiatives contribute to operational reliability, long-term sustainability and the continued value of the Group's property and hospitality assets.



ETHICAL BUSINESS CONDUCT

Atlan maintains a strong commitment to ethical business practices, recognising integrity, accountability and compliance as essential to sustaining stakeholder trust and long-term business performance across its diversified operations.

The Group governs ethical conduct through a structured framework of policies, including the Code of Conduct and Ethics, Anti-Corruption Procedures and Whistleblowing Policy. These frameworks establish clear expectations on responsible business behaviour, including the management of gifts and entertainment, conflicts of interest, charitable contributions and sponsorships, anti-corruption practices and reporting mechanisms for misconduct. Ethical expectations apply not only to employees, but also to suppliers, contractors, agents and other business partners across the value chain.

ETHICAL BUSINESS CONDUCT (CONT'D)

Atlan introduces employees to its ethical standards during onboarding, including Anti-Bribery and Anti-Corruption ("ABAC") requirements. Employees receive guidance on expected conduct from the outset of employment, while leadership personnel receive targeted training on compliance responsibilities, including obligations under the Malaysian Anti-Corruption Commission Act 2009.

Atlan integrates ethical considerations into day-to-day decision-making and business relationships. Due diligence is conducted on external partners to strengthen alignment with the Group's integrity standards and reduce exposure to corruption and misconduct risks. Regular audits and compliance reviews are conducted, particularly in higher-risk areas, to assess adherence to internal requirements and applicable laws and to identify opportunities to strengthen controls and processes.

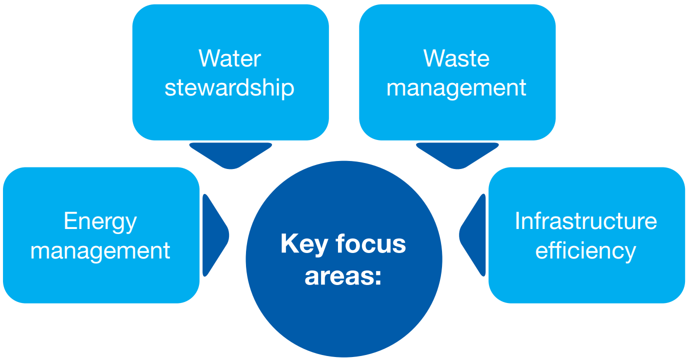
Atlan maintains a whistleblowing mechanism that enables employees and external stakeholders to report suspected misconduct confidentially and without fear of retaliation. Reports relating to fraud, corruption or ethical breaches are escalated to the Audit and Risk Management Committee for assessment and appropriate action.

The Group maintained full corruption risk assessment coverage across all operations during the reporting period, with no confirmed incidents of corruption or reported whistleblowing cases, reflecting its continued commitment to ethical business practices and strong corporate governance.

	FY2024	FY2025	FY2026
Percentage of operations assessed for corruption-related risk	100%	100%	100%
No. of confirmed incidents of corruption	0	0	0
No. of incidents of whistleblowing	0	0	0

ENVIRONMENTAL

Atlan recognises the importance of managing environmental impacts responsibly across its diversified operations. The Group focuses on minimising its environmental footprint by improving resource efficiency, strengthening operational controls and integrating environmental considerations into its business activities.



By responsibly managing these areas, Atlan enhances operational efficiency while supporting long-term environmental sustainability. The Group continues to implement practical measures to improve performance, maintain regulatory compliance and strengthen the resilience of its assets, ensuring its operations remain sustainable and responsive to evolving environmental expectations.

MANAGEMENT APPROACH

Atlan prioritises environmental sustainability by enhancing resource efficiency, reducing waste and ensuring compliance with applicable environmental laws and regulatory requirements across its retail, automotive component parts, property and hospitality operations. Environmental considerations are embedded within operational processes, production activities and facility management. The Group adopts appropriate technologies and practices to optimise energy and resource consumption while minimising environmental impact.

Each operating unit maintains a dedicated environmental committee responsible for monitoring environmental performance, ensuring regulatory compliance and implementing environmental initiatives.

Through UIG's automotive component parts manufacturing operations, the Group focuses on enhancing operational efficiency, optimising resource utilisation and reducing environmental impacts associated with production. Key initiatives include improving energy efficiency, minimising material waste, strengthening production processes and reinforcing responsible sourcing practices across manufacturing activities. Internationally recognised certifications further underpin operational standards and accountability, supporting the Group's broader environmental management approach.

Atlan's automotive component parts manufacturing arm, UIG, maintains the following certifications:

- ISO 9001:2015 – Quality Management
- IATF 16949:2016 – Automotive Quality Management
- ISO 45001:2018 – Occupational Health and Safety
- ISO 14001:2015 – Environmental Management

These certifications provide a structured framework to enhance governance, strengthen operational performance, ensure regulatory compliance and minimise environmental footprint.

Compliance is verified through regular external certification audits and internal assessments, supporting continuous monitoring, risk mitigation and ongoing improvements.

ENERGY MANAGEMENT AND EFFICIENCY

Atlan adopts a structured approach to energy management to improve efficiency, reduce environmental impact and strengthen operational resilience across diverse operations. The Group integrates energy conservation measures into infrastructure, equipment and operational controls.

The Group monitors electricity consumption through regular reviews to identify inefficiencies and abnormal usage patterns. Preventive maintenance ensures cooling systems, solar installations and other energy equipment operate efficiently. These measures improve energy performance, reduce wastage and support continuous operational efficiency.

ENERGY-EFFICIENT INFRASTRUCTURE AND EQUIPMENT

Atlan Group continues to improve energy efficiency and resource utilisation through targeted technological and operational enhancements across its operations. Key initiatives include optimised lighting systems, improved air conditioning performance and upgrades to operational equipment to reduce power consumption.

Energy consumption is monitored continuously, supported by regular maintenance inspections to identify and address inefficiencies promptly, ensuring optimal operational performance. These efforts help reduce environmental impact while maintaining a safe, comfortable and welcoming retail environment and enhancing the overall customer experience.

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

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

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

Within the property and hospitality segment, the Group implements various energy efficiency initiatives to optimise resource consumption and reduce environmental impact. These include the use of energy-efficient lighting, optimisation of air conditioning systems, preventive maintenance programmes, monitoring of electricity consumption and upgrades to operational equipment and building systems to improve overall energy performance.

OPERATIONAL OPTIMISATION AND ENERGY CONTROL

Atlan implements operational controls to minimise unnecessary energy consumption across its operations.

Automotive Component Parts Manufacturing Segment

The Group improves energy efficiency within its manufacturing facilities through measures such as:

- Staggering machine activations to reduce peak electricity demand charges and optimise energy usage
- Transitioning to LED lighting as conventional bulbs reach their end of life
- Upgrading air-conditioning systems and using A-rated equipment where feasible
- Replacing outdated machinery and equipment with inverter-based alternatives to reduce power consumption
- Switching off lighting, air conditioning and equipment in unused areas
- Conducting regular electricity usage reviews to identify inefficiencies and improve operational performance

Duty Free Retail Segment

Practical measures implemented across the Group's duty free retail outlets support lower electricity consumption and stronger logistics efficiency, including:

- Using timers and differential switches to manage electricity usage during non-operating hours
- Applying shutdown procedures outside operating periods
- Optimising lighting and temperature settings within stores to reduce unnecessary energy consumption
- Consolidating deliveries and optimising transportation routes to improve logistics efficiency
- Working with suppliers and logistics partners to reduce transportation-related carbon emissions

Property and Hospitality Segment

Energy management within the Group's property and hospitality operations focuses on optimising building systems while maintaining operational performance and guest comfort through:

- Alternating operating schedules for chillers and cooling towers to improve efficiency
- Managing lighting and air-conditioning systems based on operational requirements
- Using Building Management Systems ("BMS") to monitor and optimise electricity consumption
- Implementing operational controls to support efficient energy use across facilities

These measures support more efficient energy management while maintaining operational performance.

RENEWABLE ENERGY AND ENERGY RESILIENCE

Atlan continues to strengthen energy resilience and reduce reliance on grid electricity through renewable energy investments and storage solutions across its automotive component parts manufacturing, duty free retail and property and hospitality operations.

In its automotive component parts manufacturing operations, UIG completed Phase 2 solar installations at Block F, Meru Plant 1 and Phase 3 at Pegoh Plant 2, both of which were energised in June 2025, with a total investment of RM1.95 million. Including Phase 1, which was energised in March 2024, UIG's total installed solar capacity is 1,500.43 kWp. UIG expects these installations to:

- Generate approximately 130,000 kWh of electricity per month, depending on the weather
- Improve energy efficiency
- Reduce dependence on non-renewable energy sources

Solar Panel at Rooftop of Meru Plant 1 of UIG

For duty free, the Group has installed solar panels at selected duty free retail outlets, including Padang Besar, with a total installed capacity of 211.3 kWp. These systems:

- Generate electricity for store operations
- Reduce reliance on grid electricity
- Deliver operational cost savings

The Group's Hospitality Arm has installed and operates a solar photovoltaic system and battery storage system in line with expectations. These systems:

- Supply a significant portion of the electricity demand
- Improve energy resilience

RENEWABLE ENERGY AND ENERGY RESILIENCE (CONT'D)

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

The hospitality operations have also introduced electric vehicle ("EV") charging infrastructure to support energy transition initiatives.

To ensure optimal performance, qualified vendors conduct routine maintenance and monitoring of solar systems, including cleaning solar panels and performing system performance checks. These measures maximise energy generation, improve system reliability and support the Group's long-term energy sustainability objectives.

Energy-related Risk Management

Atlan proactively addresses energy-related risks, including rising energy costs, regulatory changes and operational efficiency challenges. Diversifying energy sources, enhancing monitoring capabilities and investing in efficiency measures mitigate exposure to supply fluctuations and cost volatility while ensuring compliance with evolving environmental regulations.

Energy and Climate 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.

RENEWABLE ENERGY AND ENERGY RESILIENCE (CONT'D)

Energy And Climate Targets And Performance (Cont'd)

Specifically, Atlan's automotive component parts manufacturing segment has set a target to reduce electricity consumption by 5% compared to the previous year. As part of its ongoing sustainability efforts, the company has significantly reduced its dependence on grid electricity by 25% through solar panel installations. Notably, the Solar PV system at the Meru Plant 1 has achieved energy savings of 1.1 million kWh, equivalent to approximately RM0.5 million in cost savings in FY2026.

Atlan recognises climate change as a significant global risk with potential implications for its operations, supply chain, assets and long-term resilience. While the Group is not carbon-intensive relative to heavy industry, it acknowledges that its businesses both influence and are influenced by the transition to a lower-carbon and more climate-resilient economy.

CLIMATE GOVERNANCE

Atlan has formally embedded climate-related risks and opportunities within its governance framework. The Board's mandate explicitly includes oversight of sustainability-related and climate-related risks and opportunities that could reasonably affect the Group's strategy, business model, financial position, financial performance and long-term value creation.

Under its Terms of Reference, the Board oversees sustainability and climate-related risks and opportunities and is responsible for the following SCORE functions.

CLIMATE GOVERNANCE (CONT'D)

Management is accountable for the identification, assessment, management and reporting of sustainability-related and climate-related risks and opportunities. Atlan has integrated these matters into operational processes, risk management frameworks and strategic planning, with regular reporting to the Board or relevant Board Committees.

The Board also oversees Management's accountability for sustainability- and climate-related risks and opportunities, including relevant objectives, targets and performance indicators where appropriate.

CLIMATE STRATEGY

Building on its governance framework and risk oversight structures, Atlan translates climate considerations into operational and strategic actions across its businesses. The Group has embedded climate considerations into strategic and operational decision-making processes.

TIME HORIZONS AND PLANNING ALIGNMENT

For climate-related assessment, the Group defines:

- Short term: up to 3 years, aligned with annual budgeting and operational planning
- Medium term: 3 to 5 years, aligned with capital planning and refurbishment cycles
- Long term: beyond 5 years, reflecting asset lifecycles, lease horizons and strategic investment planning

These definitions reflect the characteristics of the Group's operations and ensure climate-related risks and opportunities are assessed consistently within financial and strategic decision-making.

BUSINESS MODEL AND VALUE CHAIN IMPACTS

Climate-related risks and opportunities are concentrated differently across the Group.

Automotive Component Parts Manufacturing

Manufacturing operations face transition risks associated with evolving environmental standards, supplier decarbonisation requirements and potential regulatory tightening. Physical risks may also affect supplier continuity. Process efficiency, supplier engagement and compliance monitoring are prioritised within strategic planning.

Duty free retail

Retail operations are conducted within landlord-owned premises such as airports, border town locations, downtown complexes and seaports. Exposure to direct physical asset risk is therefore limited. The Group's primary exposures relate to operational energy use, supply chain resilience, regulatory developments and changing customer expectations. Strategic responses focus on operational efficiency, responsible sourcing and coordination with landlords on building-related environmental matters.

CLIMATE STRATEGY (CONT'D)

BUSINESS MODEL AND VALUE CHAIN IMPACTS (CONT'D)

Property and Hospitality

Directly managed property assets are exposed to physical climate risks, including extreme rainfall, heat stress and utility disruption. These risks may increase maintenance expenditure, insurance costs and capital upgrade requirements and may influence tenant retention and asset competitiveness.

Hospitality operations are sensitive to infrastructure reliability, energy costs and water resilience. Climate-related disruption may affect service continuity, guest experience and operating margins.

STRATEGIC DECISION-MAKING AND FINANCIAL PLANNING IMPACTS

Climate-related risks and opportunities are incorporated into:

- Operating expenditure forecasting, including energy and maintenance costs
- Capital expenditure planning for asset upgrades and resilience measures
- Supplier evaluation and procurement strategy
- Regulatory monitoring and compliance budgeting

In the short to medium term, financial impacts primarily relate to operational efficiency initiatives, maintenance planning and regulatory readiness. Over the longer term, impacts may include increased capital expenditure for resilience upgrades, cost volatility linked to regulatory developments and market shifts affecting occupancy and competitiveness.

At the reporting date, management has not identified climate-related risks expected to result in material adjustments to asset or liability carrying amounts in the next reporting period. However, longer-term regulatory tightening and physical climate developments may influence future capital allocation decisions.

STRATEGIC RESPONSE AND TRADE-OFFS

The Group's response includes incorporating scenario analysis into strategic planning. Management considers trade-offs between short-term cost pressures and long-term resilience investment. For example, capital expenditure on asset resilience or process optimisation may increase near-term costs but reduce long-term operational and regulatory exposure. The Group assessed these trade-offs in the context of overall financial and strategic priorities.

USE OF REASONABLE INFORMATION AND MEASUREMENT UNCERTAINTY

Assessments are based on reasonable and supportable information available at the reporting date, including regulatory developments, operational data and scenario analysis. Due to uncertainty in long-term climate projections and policy developments, certain anticipated financial effects cannot be reliably quantified. Where quantitative information is not practicable, qualitative disclosure is provided.

CLIMATE STRATEGY (CONT'D)

STRATEGY AND BUSINESS MODEL RESILIENCE

Based on current assessments and scenario analysis, management considers the Group's strategy and business model to be resilient over the short to medium-term. Diversification across retail, automotive component parts manufacturing, property and hospitality helps spread risk. Preventive maintenance, supplier engagement and operational efficiency initiatives support resilience.

Long-term resilience will depend on regulatory developments, infrastructure reliability and evolving customer expectations. The Group will continue refining its scenario analysis and financial assessments to strengthen forward-looking preparedness.

SCENARIO ANALYSIS AND CLIMATE RESILIENCE

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

The assessment considered both physical climate risks and transition-related risks, enabling Atlan to understand the potential implications of changes in international travel flows on retail performance, global supply chain stability, manufacturing and hospitality operational continuity, asset performance, operating expenditure, capital investment requirements and operational efficiency.

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

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

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

CLIMATE STRATEGY (CONT'D)

SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

Overall, the assessment indicates that Atlan's climate-related exposure remains concentrated rather than systemic, with risks generally affecting selected locations depending on geography, drainage conditions and surrounding infrastructure. Extreme heat emerges as the most pervasive long-term physical climate risk, while flood-related risks remain concentrated at selected structurally exposed locations. Exposure to other climate hazards, including colder weather sensitivity affecting the Group's hospitality operations in the United Kingdom, remains localised and is not material at the Group level. From a transition perspective, projected carbon cost exposure remains comparatively manageable relative to Atlan's financial profile under the scenarios assessed, supporting the resilience of the Group's business model across multiple climate futures. Atlan will continue refining its climate-related scenario analysis over time as data availability, climate science and regulatory expectations evolve.

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

Summary of Physical Climate Risk Outlook

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

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

CLIMATE STRATEGY (CONT'D)

SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

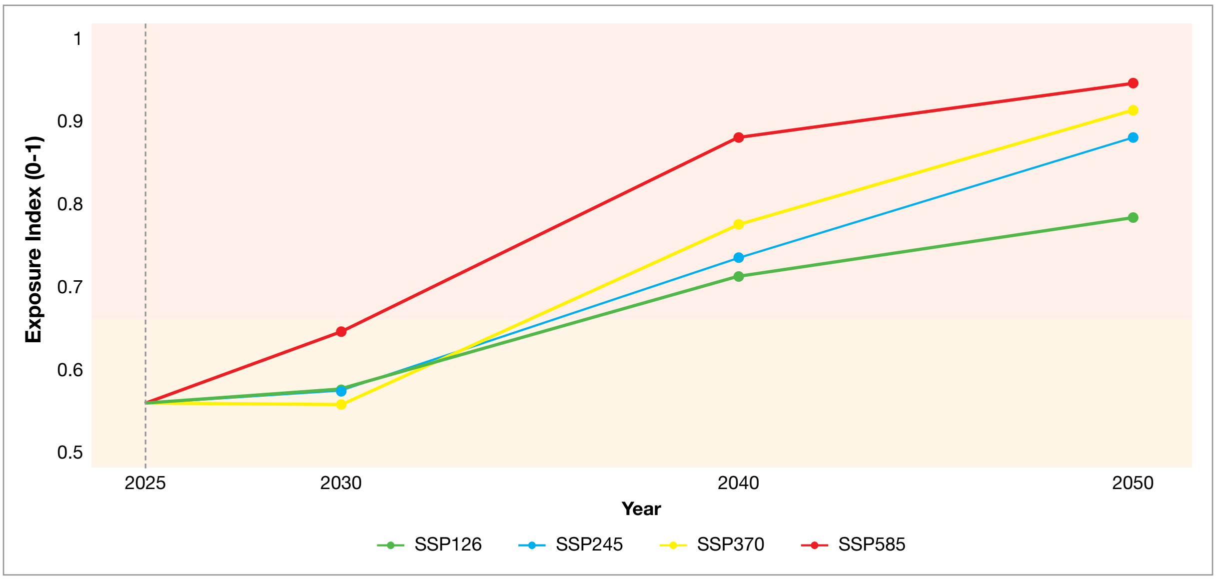
Physical Climate Risks

Extreme Heat

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

Under baseline conditions, heat exposure remains predominantly concentrated within the medium exposure band, reflecting Atlan's operating footprint across tropical environments. However, relative exposure is projected to increase progressively over time, with clearer scenario divergence emerging toward the long term, particularly under higher-emissions pathways.

Extreme Heat Exposure Across Atlan Assets



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

CLIMATE STRATEGY (CONT'D)

SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

Physical Climate Risks (Cont'd)

Potential implications may include:

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

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

Flooding (Integrated Flood Exposure)

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

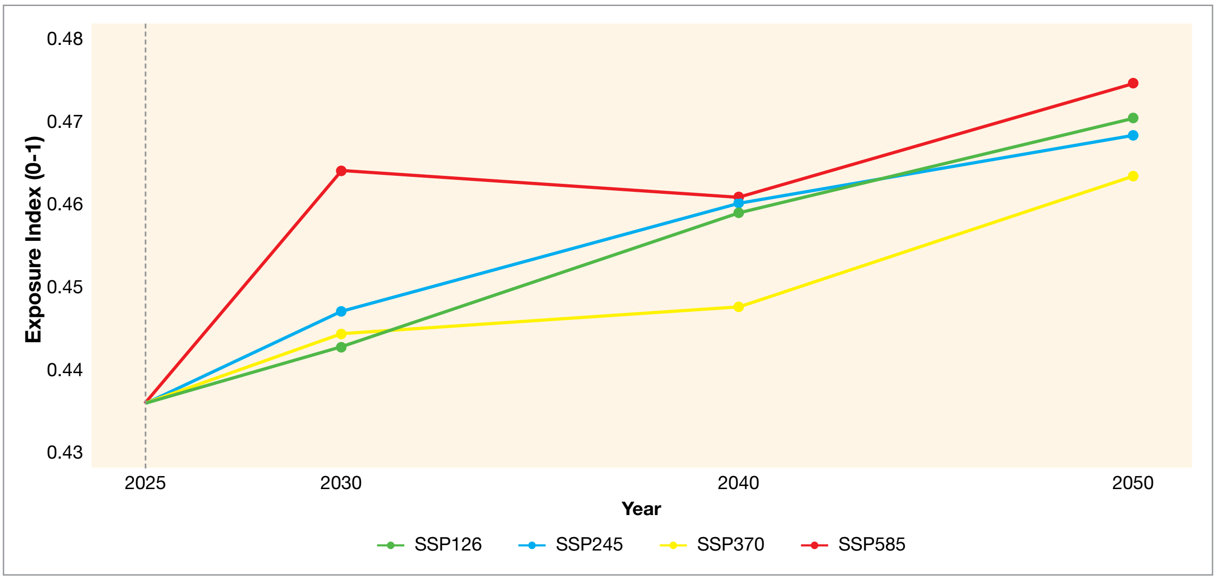
Flood-related exposure remains concentrated rather than systemic, with most operating locations remaining within low- to medium-exposure bands. However, selected sites demonstrate comparatively greater sensitivity due to local drainage characteristics, terrain conditions and projected changes in rainfall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

CLIMATE STRATEGY (CONT'D)

SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

Physical Climate Risks (Cont'd)

Integrated Flood Exposure Across Atlan Assets



Most locations demonstrate relatively stable exposure over time, though selected sites show gradually increasing sensitivity under higher warming pathways. Potential implications may include temporary disruption from localised flooding, transport delays, increased drainage maintenance requirements and localised disruption to operations or storage.

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

Other Climate Hazards

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

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

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

CLIMATE STRATEGY (CONT'D)

SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

Physical Climate Risks (Cont'd)

Other Climate Hazards (Cont'd)

Although not material at the Group level, the Group's hospitality asset in Cornwall, United Kingdom, may be sensitive to colder weather conditions. Based on current projections, Atlan expects exposure to extreme cold to remain localised and manageable, with limited implications for operations.

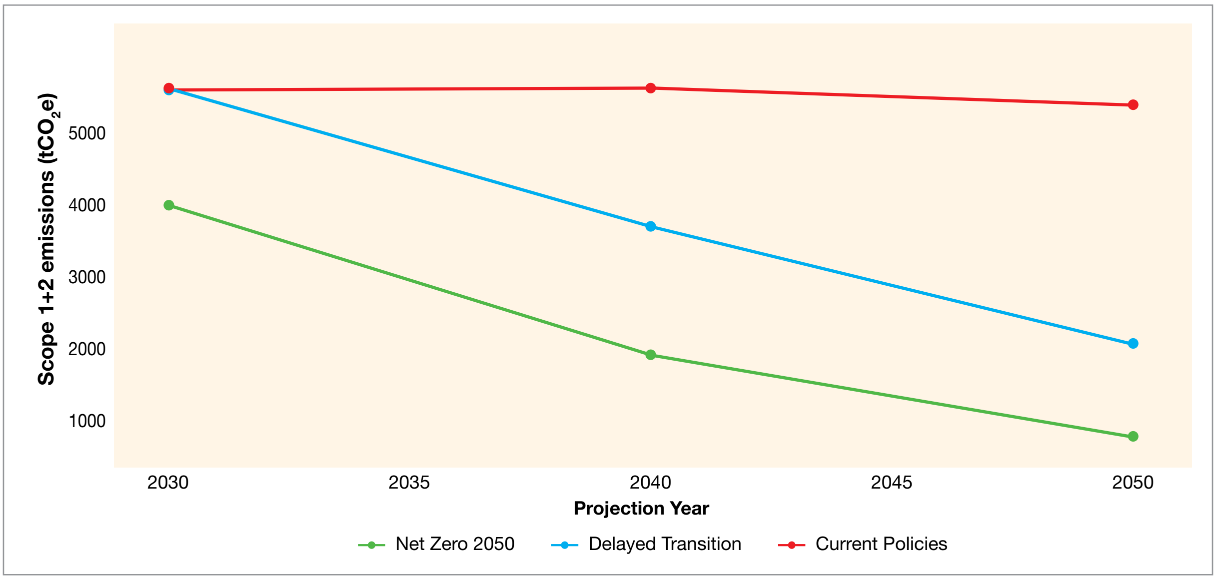
Transition Risk Scenario Analysis

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

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

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

Illustrative Carbon Price Pathways Across Climate Scenarios



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

CLIMATE STRATEGY (CONT'D)

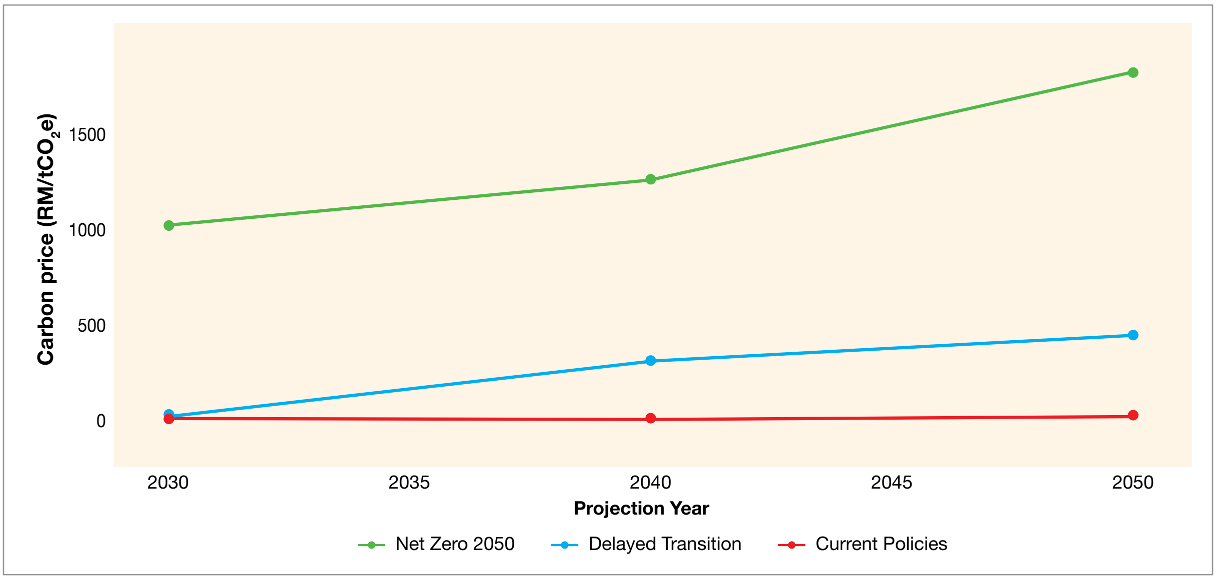
SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

Projected Carbon Cost Exposure

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

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

Projected Transition-Related Carbon Cost Exposure



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

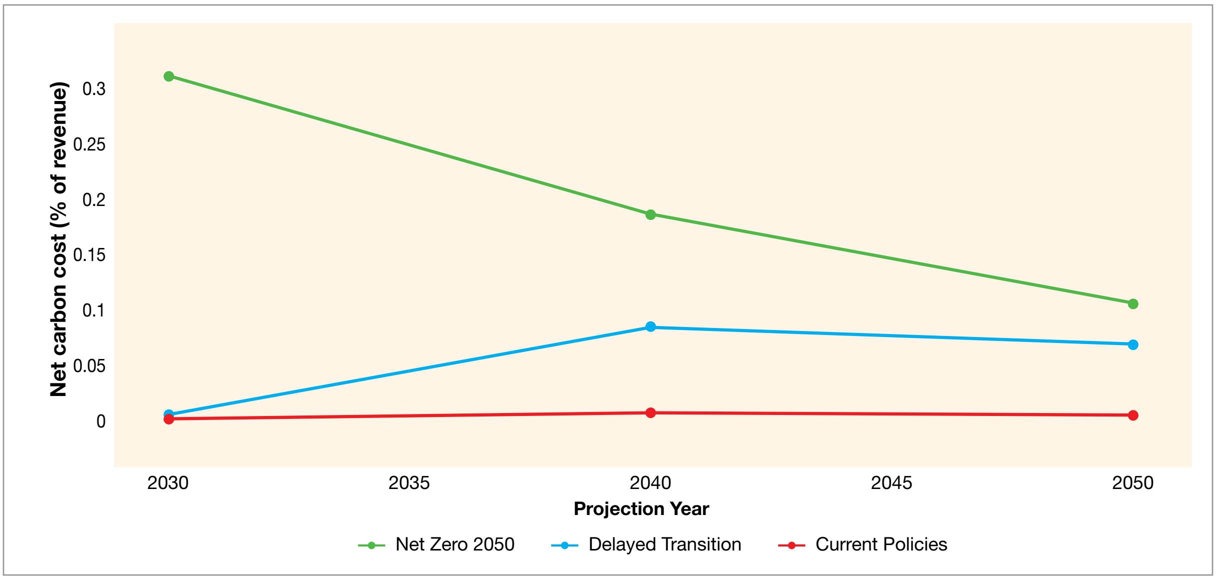
CLIMATE STRATEGY (CONT'D)

SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

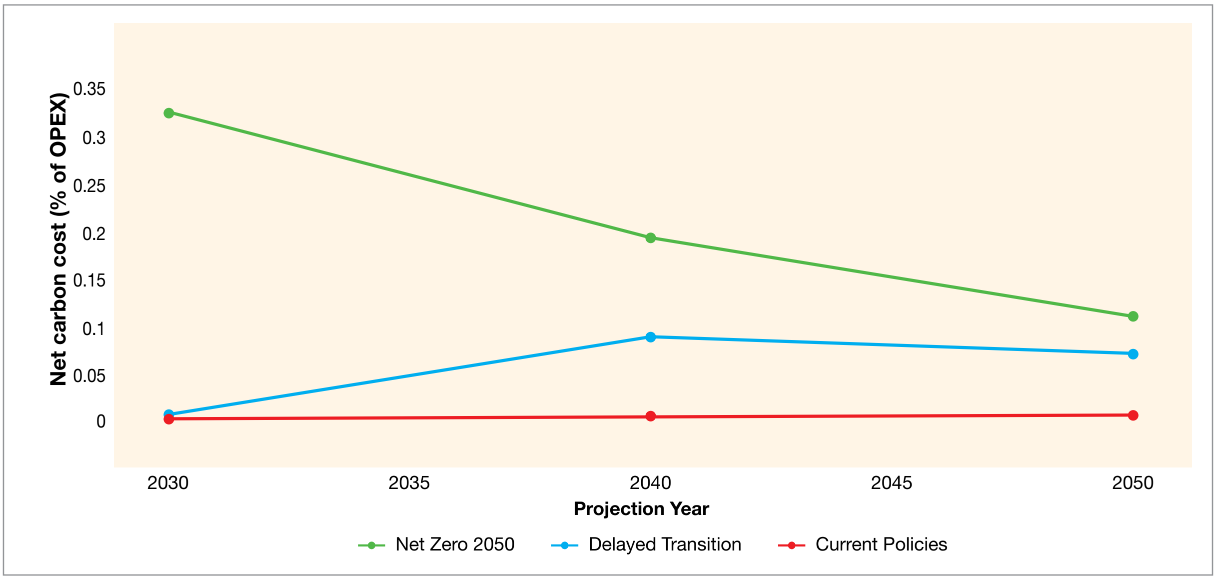
Potential Financial Implications

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

Projected Net Carbon Cost as a Share of Revenue



Projected Net Carbon Cost as a Share of Operating Expenditure



CLIMATE STRATEGY (CONT'D)

SCENARIO ANALYSIS AND CLIMATE RESILIENCE (CONT'D)

Potential Financial Implications (Cont'd)

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

Internal Carbon Price

Atlan references an indicative carbon price of RM60/tCO_2e to support climate-related planning and high-level scenario considerations. For scenario analysis, Atlan applied NGFS carbon price trajectories rather than a fixed internal carbon price, as these provide differentiated forward-looking pathways across varying levels of climate ambition and policy intervention.

Climate Resilience and Outlook

Current findings indicate that Atlan's business model remains resilient across the climate scenarios assessed, supported by diversified operations, adaptive management practices and continued enhancements to climate-related risk management capabilities.

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

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

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

CLIMATE RISK MANAGEMENT

The Group's operations are exposed to both physical and transition risks arising from climate change. The Group recognises that effective management of climate-related risks is essential to safeguarding asset value, ensuring operational continuity and sustaining long-term growth.

Climate-related risks and opportunities are embedded within the Group's Enterprise Risk Management framework. Rather than being managed separately, they are assessed alongside other principal risks, ensuring they are considered in strategic planning, capital allocation and operational decision-making.

CLIMATE RISK MANAGEMENT (CONT'D)

RISK IDENTIFICATION AND MONITORING

Climate-related risks are identified through ongoing monitoring of regulatory developments, environmental trends, operational data and supply chain performance. Structured risk reviews, scenario analysis and periodic reassessment of emerging exposures support this.

Atlan prioritises climate-related risks according to likelihood, severity and time horizon and incorporates them into mitigation plans, business continuity measures and operational controls. Relevant risks are reflected within the Group's risk register and reviewed periodically to ensure responsiveness to evolving conditions.

OVERALL CLIMATE RISK PROFILE

Atlan's exposure to climate risk reflects the nature of its assets and operations.

In automotive component parts manufacturing, climate-related supply chain disruptions and evolving environmental standards may influence production efficiency and procurement stability, which are mitigated through preplanned orders. In duty free retail, climate-related risks primarily relate to changing regulatory requirements, supply chain disruption and operational continuity. Within its property and hospitality portfolio, the Group faces potential physical risks such as extreme rainfall, heat stress and utility disruptions that may affect building performance, tenant comfort and service continuity.

These risks are evaluated in terms of financial exposure, operational disruption and time horizon. The Group considers both immediate operational impacts and longer-term structural shifts that could influence asset competitiveness, occupancy levels and market positioning.

Risk	Risk Description	Sustainability Impact	Financial Impact	Operational Impact	Time Horizon	Opportunities	Planning / Mitigation Response
Damage to Property Assets from Extreme Weather Events	Increased frequency of heavy rainfall and extreme weather events, such as heat and rain, may cause flooding, water seepage or structural deterioration, affecting building condition and tenant satisfaction.	Reduced asset resilience and increased use of repair materials and resources.	Higher repair and maintenance costs, potential insurance claims and loss of rental income during remediation	Disruption to building operations, tenant complaints and increased maintenance workload.	Medium to long term	Strengthening preventive maintenance and improving building resilience.	Regular inspections, maintenance schedules, drainage upkeep and timely remedial works.

CLIMATE RISK MANAGEMENT (CONT'D)

OVERALL CLIMATE RISK PROFILE (CONT'D)

Risk	Risk Description	Sustainability Impact	Financial Impact	Operational Impact	Time Horizon	Opportunities	Planning / Mitigation Response
Utility Disruptions Affecting Tenant Operations and Hospitality Services	Climate-related disruptions to electricity or water supply may affect building services, lifts, air-conditioning and hospitality operations, reducing service reliability.	Increased reliance on backup systems and reduced efficiency of building services.	Service disruption costs, potential compensation to tenants and reputational impact.	Temporary interruption of tenant operations and reduced comfort for occupants and guests.	Medium term	Enhanced business continuity planning and improved utility resilience	Preventive maintenance, contingency planning and coordination with utility providers.
Increased Operating Costs from Environmental and Building Requirements	Evolving environmental standards and building-related requirements may increase operating, maintenance and compliance costs for property and hospitality assets.	Pressure to improve the environmental performance of buildings and facilities.	Higher operating expenditure, capital upgrades and compliance-related costs.	Need for changes to maintenance practices and building management procedures.	Medium term	Improved operational efficiency and long-term cost optimisation through better asset management	Phased upgrades, monitoring regulatory developments and integrating requirements into maintenance planning.
Changing Tenant and Guest Expectations on Building Quality and Sustainability	Tenants and hospitality customers may increasingly prefer properties with higher-quality buildings, greater comfort and better environmental performance, influencing leasing decisions and occupancy rates.	Need to enhance building quality and long-term asset attractiveness.	Risk of lower occupancy, rental pressure or reduced competitiveness if expectations are not met.	Increased focus on building upgrades, maintenance standards and tenant engagement.	Medium to long term	Strengthening tenant retention and asset value through targeted improvements.	Tenant engagement, selective refurbishment and continuous improvement of building services.

CLIMATE RISK MANAGEMENT (CONT'D)

MANAGING CLIMATE-RELATED OPPORTUNITIES

Alongside risk mitigation, Atlan actively considers opportunities arising from the transition to a lower-carbon and more resilient economy.

In automotive component parts manufacturing, closer supplier engagement and performance monitoring strengthen resilience and operational reliability. In duty free retail, adapting to changing consumer expectations creates opportunities to reinforce brand positioning and customer loyalty. In property and hospitality, improvements in energy efficiency and building performance support cost stability and enhance tenant and guest experience.

Opportunities are assessed through the same governance processes used for risk evaluation, ensuring that sustainability initiatives are aligned with financial discipline and long-term strategic objectives.

INTEGRATION WITH ENTERPRISE RISK MANAGEMENT

Climate-related risks and opportunities are integrated into the Group's broader ERM processes. This integration ensures that climate considerations inform business continuity planning, maintenance programmes, supplier management, capital upgrades and strategic development.

By embedding climate factors into its core governance and risk structures, Atlan strengthens resilience across its retail, manufacturing, property and hospitality operations. This approach enables the Group to respond proactively to regulatory change, market evolution and physical climate impacts while protecting long-term asset value and financial performance.

CLIMATE-RELATED METRICS AND TARGETS

The Group monitors climate-related performance through a focused set of metrics that track emissions exposure, energy efficiency and operational resilience across its automotive component parts, duty-free retail, property and hospitality operations. These metrics support the assessment of transition and physical climate risks and inform capital allocation, operational improvements and long-term planning.

GREENHOUSE GAS EMISSIONS AND RELATED METRICS

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

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

Climate-related metrics are prepared using organisational boundaries aligned with financial reporting. Emissions are calculated using activity data and recognised emission factors applied consistently. Data sources include utility records, fuel purchases, production data and supplier information. Methodological changes, where applicable, are disclosed. Emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e), with Scope 3 coverage, assumptions and limitations disclosed. Please refer to page 115 of this Annual Report for detailed disclosures on the Group's Scope 3 footprint.

CLIMATE-RELATED METRICS AND TARGETS (CONT'D)

OPERATIONAL INDICATORS

In addition to greenhouse gas emissions, the Group monitors selected operational indicators relevant to its climate risk profile, including:

- Electricity consumption within retail operations
- Energy intensity within manufacturing
- Building energy performance within managed properties
- Waste management coverage and compliance indicators
- Reliability of critical systems and water resilience indicators where relevant

These metrics reflect areas of direct management influence and material climate exposure.

MEASUREMENT AND DATA GOVERNANCE

Metrics are prepared using a defined organisational boundary aligned with financial reporting. Emissions are calculated using activity data and consistently applied emission factors year to year.

Primary data sources include utility invoices, meter readings, fuel purchase records and operational logs. Internal reviews, reconciliations and documented assumptions support data reliability. Any methodological changes are disclosed with an explanation.

CLIMATE TARGETS AND PROGRESS

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

WASTE MANAGEMENT

Atlan implements structured waste management practices across its duty free retail, manufacturing arm, property and hospitality operations to minimise waste generation, increase material reuse and ensure safe handling and disposal, in compliance with regulatory requirements.

The Group focuses on:

- Reducing waste at source
- Strengthening segregation practices
- Improving operational efficiency through responsible resource management

Licensed contractors and certified partners support the safe disposal and recovery of waste, ensuring compliance with applicable regulations and responsible waste handling.

WASTE MANAGEMENT (CONT'D)

Automotive Component Parts Manufacturing

Waste management within the Group's manufacturing arm operations focuses on regulatory compliance, safe handling and resource efficiency.

Operational practices include:

- Labelling, storing and handling hazardous materials, including oil drums, waste paint, contaminated rags, gloves, spent lubricants and chemical waste in accordance with safety and environmental requirements
- Segregating domestic, plastic and carton waste
- Recycling waste metals, plastics, pallets and packaging materials through licensed collectors
- Using hydraulic oil filtration systems to extend oil usability and reduce waste generation

Scheduled waste is disposed of through Department of Environment-approved contractors in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005 and the Environmental Quality Act 1974, with waste movements tracked through the Electronic Scheduled Waste Information System ("eSWIS") for compliance and traceability.

Chemical management procedures, supported by supplier audits and employee training, strengthen safe handling practices and compliance with occupational and environmental requirements.

Duty Free Retail

Waste reduction within the Group's duty free retail operations focuses on reducing material use, promoting reuse and ensuring responsible disposal.

Key initiatives include:

- Reducing paper printing through process digitalisation
- Reusing pallets and cartons
- Introducing clearly labelled bins for recyclable, non-recyclable and organic waste
- Encouraging employees to use personal mealware to reduce disposable waste

Electronic waste, including POS systems, computers and display units, is disposed of through certified e-waste recyclers, while equipment from closed outlets is reassigned for reuse where appropriate.

Packaging reduction efforts include introducing biodegradable and recyclable shopping bags, reducing packaging volumes and working with suppliers to eliminate unnecessary gift boxes. Space constraints at leased outlets may limit access to centralised recycling infrastructure, though opportunities for improvement are still being evaluated.

WASTE MANAGEMENT (CONT'D)

Property and Hospitality

The Group's Property and Hospitality arm prioritises waste reduction, responsible material use and operational efficiency.

The Group promotes proper waste segregation and reduces landfill disposal by introducing recycling bins and dedicated food waste bins, while cleaning contractors separate recyclable materials to support recovery.

The Group also minimises paper consumption through digitalisation, including e-invoicing, online payments and digital documentation. Double-sided printing and paper reuse practices support these efforts.

Employees actively participate in implementing green initiatives throughout day-to-day operations, reinforcing a culture of environmental responsibility.

POLLUTION MANAGEMENT

Atlan implements structured pollution control measures across its operations, with particular focus on its manufacturing division, where emissions management is critical.

The Group's manufacturing arm conducts annual isokinetic stack and air emission monitoring in accordance with the Malaysian Environmental Quality (Clean Air) Regulations 2014 to ensure regulatory compliance. The latest monitoring results confirmed that dust concentration levels across all six factory stacks remained well within permitted limits.

These monitoring programmes support early detection and control of emissions, preventing the release of hazardous substances during production processes such as spraying.

Through systematic monitoring, regulatory compliance and preventive controls, Atlan minimises environmental impact and helps safeguard the health and well-being of surrounding communities.

WATER MANAGEMENT

Atlan manages water resources by promoting efficient water use, strengthening operational resilience and reducing reliance on external water supply across its operations. The Group adopts a practical approach to water stewardship through regular monitoring, preventive maintenance, infrastructure improvements and alternative water sourcing to support long-term water security.

To improve efficiency and reduce wastage, the Group implements structured water management measures, including:

- Monthly monitoring and review of water consumption patterns
- Facility inspections and water audits to identify leaks and inefficiencies
- Preventive maintenance and infrastructure upgrades, including pipe replacement and isolating valves to minimise water losses
- Awareness signage in common areas to encourage responsible water usage
- Sensor-equipped fixtures and water-efficient infrastructure to optimise consumption

The Group also adopts alternative water sources to reduce dependence on treated municipal water. Within its duty free retail operations, the Group is evaluating the feasibility of rainwater harvesting systems at selected sites to support plant irrigation and general cleaning. At its manufacturing arm, UIG has implemented rainwater harvesting systems for flushing and irrigation, helping reduce freshwater consumption for non-potable uses. Within the hospitality segment, an on-site borehole currently supplies approximately 50% of its water requirements, strengthening water resilience while reducing reliance on municipal water. Landscaping strategies also prioritise drought-resistant plant species to lower irrigation demand.

BIODIVERSITY AND CONSERVATION

Atlan recognises the importance of protecting biodiversity and preserving natural ecosystems across its operations. The Group integrates biodiversity considerations into land use, facility management and operational planning to minimise ecological disturbance and support environmental sustainability.

At the Group's Hospitality arm, BIM has implemented initiatives to support local wildlife habitats, including:

- Establishing a reptile mitigation area to protect native reptile populations
- Installing bat houses and bat boxes to provide roosting habitats
- Converting an existing barn into a dedicated barn owl habitat

These measures help support ecosystem stability, contribute to natural pest control and enhance biodiversity in the surrounding environment.

SOCIAL

Atlan advances social sustainability by supporting its workforce, maintaining safe and fair workplaces and contributing to the communities in which it operates.

The Group integrates responsible labour practices, employee development and community engagement into its operations to strengthen organisational resilience and support long-term business continuity.

MANAGEMENT APPROACH

Atlan manages social sustainability through structured policies, governance oversight and operational controls that promote fair labour practices, workplace safety and employee well-being.

The Group implements clear human resource policies, training programmes and performance monitoring to ensure compliance with labour laws and internal standards. Key practices include:

- Regular employee engagement initiatives
- Established grievance and whistleblowing mechanisms
- Ongoing training and performance monitoring

These measures reinforce transparency, accountability and a supportive workplace culture.

Atlan also engages with local communities through employment opportunities, partnerships with local institutions and community initiatives.

CONNECTED IN ENGAGEMENT, UNITED IN WELL-BEING

Atlan fosters a supportive and inclusive workplace by strengthening employee engagement, recognising contributions and promoting workforce well-being across its operations.

The Group encourages open communication and organises engagement and appreciation activities to reinforce teamwork and organisational cohesion. These include:

- Cultural celebrations such as Hari Raya, Chinese New Year and Deepavali
- Attendance recognition programmes
- Food basket distributions
- Staff gatherings, including birthday celebrations, spring celebrations, Christmas gatherings, family-oriented events and informal engagement sessions

At the corporate level, Atlan also participated in the ANGKASA Bowling Engagement Programme on 28 September 2025, strengthening employee interaction and engagement with private sector organisations.

CONNECTED IN ENGAGEMENT, UNITED IN WELL-BEING (CONT'D)

Participation of Atlan staff in the Angkasa Bowling Engagement Programme

Employee satisfaction is monitored through structured feedback mechanisms to identify areas for improvement and maintain a supportive work environment. The Group's manufacturing arm conducts annual employee surveys to assess job performance, workplace conditions and employee welfare. These initiatives strengthen workforce cohesion, support employee well-being and reinforce a resilient and engaged workforce across the Group.

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

FAIR COMPENSATION AND EMPLOYEE BENEFITS

Atlan provides fair and competitive compensation to attract, retain and motivate employees across its operations.

The Group reviews remuneration packages regularly against market benchmarks to ensure competitiveness and alignment with industry standards. Employees also receive comprehensive benefits, including medical coverage and annual and special leave. Workplace arrangements support work–life balance where appropriate.

The Group's automotive component parts manufacturing and duty free retail arm implemented a salary revision in May 2025 to enhance employee compensation and align with the prevailing Minimum Wages Order. At BIM, the Group's hospitality arm, employees receive additional benefits, including:

- Discounted room hire and event privileges
- A commission structure that rewards staff for successful function bookings

These initiatives encourage proactive engagement and support business performance.

Together, these measures strengthen employee retention, reinforce workforce stability and support a motivated and productive workforce across the Group.

CAREER DEVELOPMENT

Atlan invests in continuous learning and professional development to strengthen workforce capabilities, enhance operational performance and support long-term organisational growth.

The Group provides structured training, technical upskilling and professional development opportunities to ensure employees possess the competencies required to perform their roles effectively.

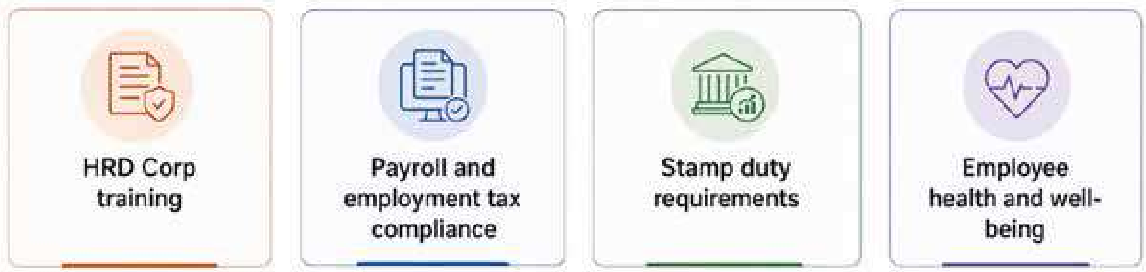
At the Group level, employees participated in training programmes covering tax, finance and statutory compliance, including the following key areas:

Tax & Compliance Training

CAREER DEVELOPMENT (CONT'D)

Governance and management programmes also addressed Board governance and ESG oversight. In addition, human resource and capability development initiatives focused on the following areas:

HR & Capability Development



Training programmes are tailored to the operational needs of each business segment to strengthen technical capability, customer engagement, workplace effectiveness and regulatory compliance. For example:

- The Group's manufacturing arm delivers technical and compliance training aligned with automotive industry standards, including ISO 45001:2018, ISO 14001:2015, ISO 9001 and IATF 16949. Employees also participate in Artificial Intelligence training and external technical visits, including sessions on tubing production processes, to support continuous improvement and technical development.
- The Group's duty free retail arm provides specialised training in customer service, communication, strategic selling and product knowledge, including liquor category training. Employees also participate in programmes covering labour regulations, customs documentation, occupational safety and employment law to strengthen operational effectiveness and compliance.
- The Group's property and hospitality arm, BIM, provides operational and food safety training to maintain service quality and regulatory compliance. Programmes include food hygiene certification, food allergen awareness and operational training to strengthen customer safety, service delivery and workplace standards. These initiatives strengthen employee capabilities, support career development and help maintain a skilled workforce across the Group's operations.

FOSTERING DIVERSITY AND INCLUSION

Atlan fosters a diverse, inclusive and respectful workplace where all employees are treated fairly and with dignity.

The Group maintains a zero-tolerance approach to discrimination and harassment and ensures equal opportunities regardless of race, ethnicity, gender, religion, age, disability, sexual orientation or other protected characteristics. Fairness is embedded across all aspects of employment, including:

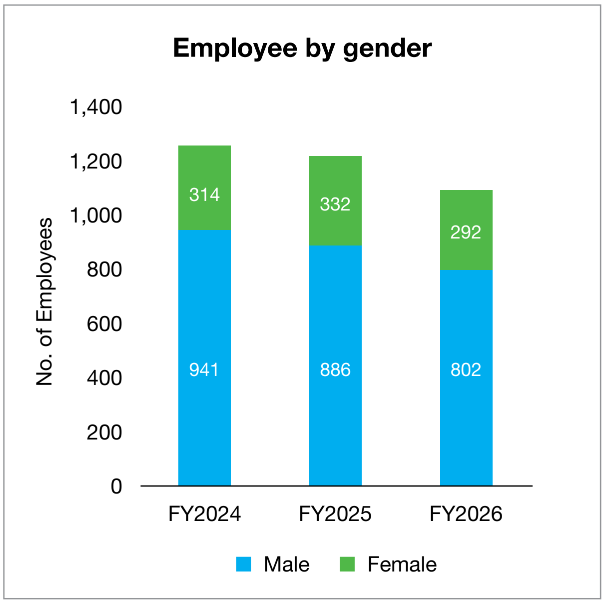
- Recruitment
- Remuneration
- Training
- Career development and promotion

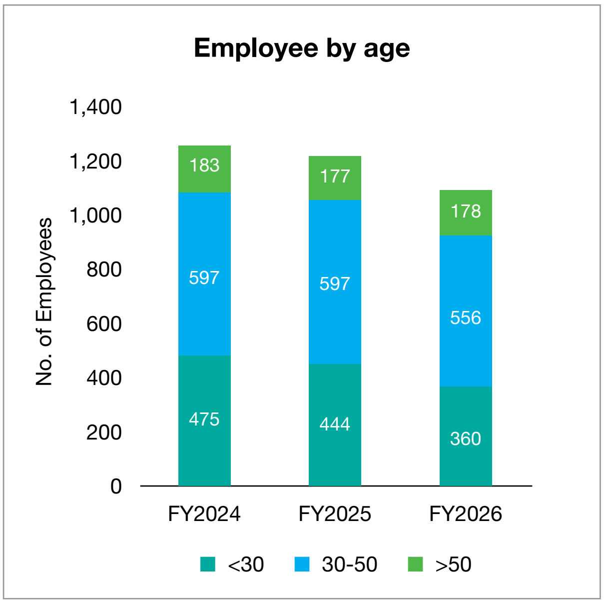
FOSTERING DIVERSITY AND INCLUSION (CONT'D)

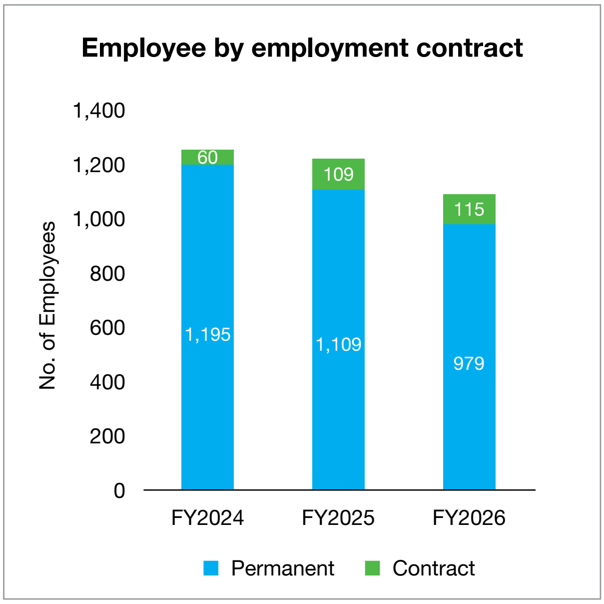
The Employee Handbook and Code of Conduct reinforce a zero-tolerance policy towards discrimination and harassment, establishing clear standards and enforcement mechanisms to address misconduct. The Group also upholds the principle of equal pay for equal work, ensuring that employees are recognised and rewarded based on merit and performance.

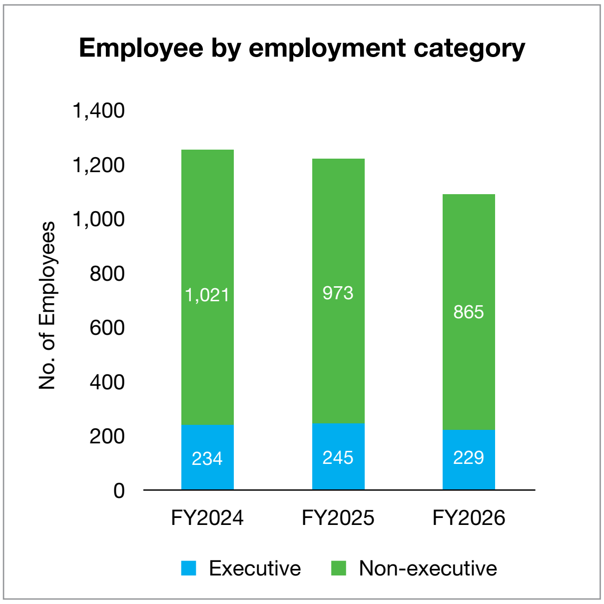
Diversity strengthens Atlan's workforce by bringing varied perspectives that enhance innovation, decision-making and operational effectiveness. With operations spanning automotive component parts manufacturing, duty free retail, property and hospitality, the Group engages with employees and stakeholders from diverse backgrounds.

This inclusive environment strengthens organisational capability, supports collaboration and enhances Atlan's ability to respond to evolving business and customer needs.









LOCAL EMPLOYMENT, TALENT DEVELOPMENT AND INCLUSIVE WORKFORCE

The Group prioritises local recruitment, merit-based hiring and equal opportunity, ensuring transparency and fairness throughout the employment lifecycle. This approach strengthens community ties, supports economic development and provides access to a stable, capable workforce.

The Group's duty free retail arm recruits local candidates through platforms such as MyFutureJobs and collaborations with recruitment agencies to align hiring with operational needs. Local hiring remains a priority, with over 99% of outlet employees comprising nearby residents.

Atlan's automotive component parts manufacturing arm collaborates with colleges and offers structured internships and industrial training programmes to develop future industry professionals. These programmes provide students with practical industry experience while strengthening the long-term talent pipeline for manufacturing operations.

The Group's hospitality arm also supports local workforce development through partnerships with educational institutions. BIM maintains close collaboration with the local college in St Austell, organising:

- Spa tours
- Career talks
- Student placement opportunities

The Group also supports work experience and placement programmes, providing hands-on exposure to hospitality operations and supporting early talent development.

Through local hiring, structured internships and inclusive employment practices, Atlan strengthens workforce capability, supports community development and reinforces long-term organisational sustainability.

OCCUPATIONAL SAFETY AND HEALTH

Atlan maintains a safe and healthy working environment across its automotive component parts manufacturing, duty free retail, property and hospitality operations.

Given the diverse nature of these activities, each business division applies safety governance and risk management measures aligned with its operational risks and regulatory requirements. These measures operate within a unified Group framework focused on hazard prevention, regulatory compliance and continuous improvement.

Atlan integrates safety management into operational procedures, facility management and workforce practices. Key safety controls include:

- Preventive maintenance programmes
- Workplace inspections
- Regulatory compliance programmes

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

These programmes include fire safety certification, firefighting system maintenance, lift and escalator inspections and electrical system checks, helping ensure safe environments for employees, contractors, customers and visitors.

The Group also promotes employee well-being through:

- Safety awareness initiatives
- Mental health programmes
- Access to counselling support where required.

SAFETY GOVERNANCE AND RISK MANAGEMENT

Safety Committees established in accordance with the Department of Occupational Safety and Health ("DOSH") guidelines support safety governance. These committees, comprising employer and employee representatives, oversee safety performance, review workplace conditions, investigate incidents and recommend corrective actions.

The Group applies the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") framework to identify and manage workplace risks. Hazard assessments are conducted regularly, including reviews of:

- Machinery and equipment
- Chemical handling practices
- Ergonomic exposure
- Operational safety risks

Safety audits, facility inspections and preventive maintenance programmes further strengthen operational safety. To maintain effective safety systems, the Group conducts regular inspections and servicing of:

- Fire protection systems and alarms
- Fire hydrants
- Lifts and escalators
- Electrical infrastructure

Safety risk assessments are also carried out across operational facilities, including kitchens, maintenance areas, machinery workspaces and customer areas, enabling the Group to identify hazards and implement appropriate corrective measures.

In FY2026, the Group strengthened workplace safety through targeted risk assessments across its automotive component parts manufacturing operations, including chemical, ergonomic and noise risk assessments to identify workplace hazards and evaluate employee exposure to chemicals, repetitive work activities and occupational noise. External verification also supports continuous improvement. During the year, UIG underwent an ISO 45001:2018 surveillance audit from 17 March 2025 to 19 March 2025, confirming continued alignment of its occupational health and safety management system with international standards.

TRAINING AND SAFETY COMPETENCY

The Group provides structured training to equip employees with the knowledge and skills required to manage workplace risks and respond effectively to emergencies. Training programmes include:

Atlan aligns training with operational requirements, with specialised programmes that support safe equipment operation, emergency preparedness and regulatory compliance.

Regular safety meetings, emergency drills and safety awareness sessions reinforce safe work practices and strengthen employee preparedness.

The Group also supports employee mental health and well-being through:

- Mental health awareness workshops
- Trained support personnel
- Access to wellness facilities, where available

SAFETY SYSTEMS AND OPERATIONAL CONTROLS

The Group implements preventive safety measures and inspections across its operational facilities to maintain safe environments.

SAFETY SYSTEMS AND OPERATIONAL CONTROLS (CONT'D)

The Group's automotive component parts manufacturing arm, UIG, has held ISO 45001 – Occupational Safety and Health Management System certification since 2017, covering the period up to February 2027.

Duty free retail, property and hospitality operations implement similar preventive controls, including facility inspections, emergency preparedness measures and safety monitoring to maintain safe operating environments.

CONTRACTOR AND VISITOR SAFETY

The Group extends safety requirements to contractors and service providers to ensure safe working conditions across its facilities.

Before engagement, the Group conducts compliance checks covering:

- Risk assessment reviews
- Verification of insurance coverage
- Accreditation and relevant certifications

Contractors must attend safety briefings and comply with site safety requirements, including the use of personal protective equipment and adherence to emergency procedures.

These measures ensure that work is carried out safely and in accordance with the Group's safety standards.

CERTIFICATIONS AND CONTINUOUS IMPROVEMENT

The Group maintains safety certifications and regulatory approvals to support high standards of occupational safety and health across its operations.

Key certifications and approvals include:

- ISO 45001 certification for manufacturing operations
- Fire safety certification issued by the Fire and Rescue Department (Bomba) for operational facilities

Through structured governance, risk assessments, training and compliance with recognised safety standards, Atlan continues to strengthen its occupational safety and health practices and maintain safe environments across all operations.

RESPECTING HUMAN RIGHTS

Atlan respects and protects human rights across its operations and business relationships. The Group upholds fair labour practices, safe working conditions and inclusive employment while maintaining transparent channels for employees and stakeholders to raise concerns.

Recognised international standards, including the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, guide Atlan's human rights commitments.

LABOUR STANDARDS AND FAIR EMPLOYMENT

Atlan upholds fair labour practices across all operations.

Freely Chosen Employment

The Group maintains a zero tolerance approach to forced, involuntary or exploitative labour, including prison, indentured, bonded (including debt bondage), trafficked or slave labour.

Prevention of Child Labour

Atlan prohibits child labour, defined as work performed by individuals:

- Under 15 years old
- Below the age required to complete compulsory education
- Under the minimum legal employment age in the country of operation (whichever is most stringent)

Working Hours

- Compliance with local regulations governing working hours and overtime to prevent excessive overtime.

Wages and Benefits

- Employee compensation complies with applicable wage laws, including minimum wages, benefits and overtime pay.

WORKPLACE RESPECT AND EQUAL OPPORTUNITY

Atlan promotes a workplace built on dignity, respect and fairness.

Harassment and Abuse Prevention

- Zero tolerance for physical, psychological or verbal abuse, as well as sexual or other forms of harassment.
- A grievance mechanism allows employees to report concerns confidentially.

Equality and Non-Discrimination

Recruitment and employment practices prevent discrimination based on :

INCLUSIVE WORKPLACE AND TALENT DEVELOPMENT

Atlan fosters an inclusive workplace that values diversity and supports employee growth.

The Group promotes diversity and inclusion through:

- Recognition of cultural diversity and festive traditions
- Provision of designated prayer rooms at workplaces
- Equal training, career development and advancement opportunities
- Collaboration and mutual learning across age groups
- Disability-friendly workplace design
- Inclusive hiring practices welcoming individuals of all nationalities

The Group also supports talent development, providing employees with opportunities to grow, develop new skills and advance their careers.

HEALTH, SAFETY AND EMPLOYEE VOICE

Health and Safety

Atlan maintains a Health and Safety Management System aligned with the ILO Guidelines on Occupational Safety and Health. The Group strives to maintain a Zero Harm working environment and encourages contractors, suppliers and tenants to uphold the same standards.

Freedom of Association and Collective Bargaining

The Group complies with local laws on workers' rights to association and collective bargaining by:

- Maintaining an open-door policy
- Allowing workers to raise concerns about working conditions without fear of intimidation or reprisal
- Respecting employees' rights to form and join trade unions, engage in collective bargaining and participate in peaceful assembly

Open and Transparent Communication

Atlan's whistleblowing channel guarantees anonymity and is accessible to both internal and external stakeholders.

COMMUNITY AND SOCIAL IMPACT

Atlan contributes to the communities in which it operates through charitable support, community engagement and initiatives that promote social well-being. The Group focuses on supporting vulnerable groups, strengthening community relationships and contributing to social causes aligned with its values and operational presence.

Community support takes several forms, including:

- Charitable contributions
- Employee volunteer participation
- Community-focused initiatives hosted at Group facilities

At each subsidiary level, community initiatives reflect each business segment's priorities. Through Yayasan Harmoni, Atlan's Foundation charity fund, the Group allocated RM66,900 during the year for the Sumbangan Bantuan Sekolah to 446 children. Additional initiatives included flood relief support for affected families, helping to ease financial burdens and strengthen support for disadvantaged communities.

Meanwhile, UIG employees participated in road safety initiatives, community forums and joint programmes with supply chain stakeholders such as Honda Malaysia and Perodua. UIG team members also took part in the Program Serahan Kasih Semarak Merdeka drive-thru event alongside internship students, further strengthening community ties.

The Group's facilities also serve as platforms for community causes. In July 2025, BIM hosted a charity day for The Vanessa Grant Trust, attended by more than 200 members of the local community. The event raised funds and awareness to support educational and vocational facilities for children and young people with disabilities while strengthening community engagement and outreach.

COMMUNITY AND SOCIAL IMPACT (CONT'D)

Through charitable contributions, employee participation and community engagement initiatives, Atlan strengthens its relationships with the communities it serves and contributes to broader social well-being.

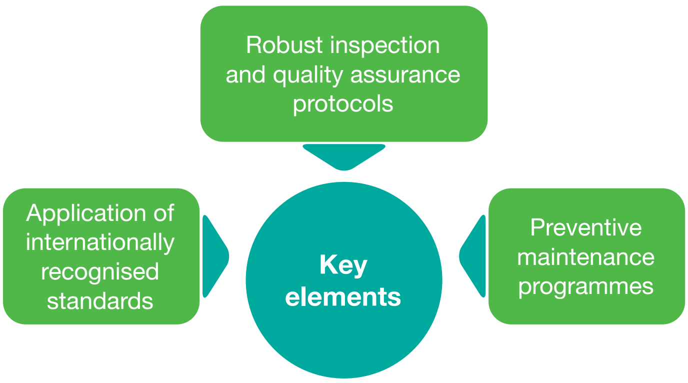
BEYOND EXCELLENCE: PREMIUM, EXCLUSIVE, RESPONSIBLE AND SUSTAINABLE EXPERIENCES

Atlan operates responsibly across its diverse business segments, including automotive component parts manufacturing, duty free retailing and property and hospitality. The Group maintains high standards of quality and customer satisfaction while creating long-term value for stakeholders.

Fostering strong partnerships and maintaining a sustainable business model support continuous growth and shared success.

QUALITY, INNOVATION AND EXCELLENCE: DELIVERING DISTINCTIVE VALUE

Atlan differentiates itself through a strong commitment to quality, innovation and operational excellence across its automotive component parts manufacturing, duty free retail, property and hospitality operations. The Group delivers reliable products, premium services and distinctive experiences while continuously improving processes, facilities and customer engagement.



This commitment strengthens stakeholder confidence, enhances customer satisfaction and supports sustainable long-term growth.

Atlan embeds quality and excellence in its operating model through structured management systems, rigorous quality assurance processes and continuous improvement initiatives.

These measures help ensure consistency, reliability and regulatory compliance across the Group's operations.

QUALITY MANAGEMENT, STANDARDS AND CONTINUOUS IMPROVEMENT

The Group maintains structured quality management systems supported by recognised certifications, operational controls and continuous improvement initiatives.

<u>Automotive Component Parts Manufacturing</u>

Within the manufacturing division, UIG operates under internationally recognised standards, including ISO 9001:2015, IATF 16949:2016, ISO 14001:2015 and ISO 45001:2018, reinforcing product quality, environmental management and workplace safety. Quality assurance is supported by a structured inspection process covering incoming materials, in-process checks and final outgoing inspections to minimise defects and maintain compliance with stringent Original Equipment Manufacturer ("OEM") requirements. External audits and internal monitoring further strengthen consistency and operational discipline.

BEYOND EXCELLENCE: PREMIUM, EXCLUSIVE, RESPONSIBLE AND SUSTAINABLE EXPERIENCES (CONT'D)

QUALITY MANAGEMENT, STANDARDS AND CONTINUOUS IMPROVEMENT (CONT'D)

Automotive Component Parts Manufacturing (Cont'd)

Continuous improvement practices, including Kaizen, Lean and Six Sigma methodologies, support efficiency, waste reduction and process improvement across manufacturing and retail operations. The Group's automotive component parts manufacturing performance has also received industry recognition from leading automotive brands, including Toyota, Isuzu, Honda, Mitsubishi and Perodua, reflecting sustained quality performance and customer confidence.

Duty Free Retail

Within the duty free retail segment, DFZ maintains quality through disciplined product handling, supplier oversight and operational controls. Products are sourced exclusively from authorised distributors and brand principals to safeguard authenticity, quality and consumer safety across categories such as beverages, cosmetics, food products and spare parts. Outlet managers regularly monitor merchandise displays and stock availability to maintain service standards, while supplier audits and site visits reinforce merchandising consistency and compliance with quality requirements.

Property and Hospitality

Across the Group's property and hospitality operations, preventive maintenance, facility upgrades and structured operational procedures support service quality, safety and customer satisfaction. Employee training, operational monitoring and facility management practices help maintain reliable service delivery and comfortable environments for guests, tenants and visitors.

These measures collectively strengthen consistency, reliability and stakeholder confidence while supporting the Group's long-term growth and reputation for quality.

DELIVERING PREMIUM AND DIFFERENTIATED CUSTOMER EXPERIENCES

Atlan delivers premium, distinctive experiences by combining quality products, operational excellence and customer-focused innovation. Each business division applies structured quality controls, facility enhancements and service standards to ensure reliability, authenticity and customer satisfaction, reinforcing the Group's commitment to excellence.

DELIVERING PREMIUM AND DIFFERENTIATED CUSTOMER EXPERIENCES (CONT'D)

Business Division	Approach to Quality, Innovation and Excellence	How this Delivers Atlan's Promise
Automotive Component Parts Manufacturing	Operates under internationally recognised quality management systems, including ISO 9001:2015 and IATF 16949:2016. Rigorous inspection processes are implemented across incoming materials, production and final output, supported by continuous improvement programmes such as Kaizen, Lean and Six Sigma.	Ensures the delivery of reliable, high-quality automotive component parts that meet stringent OEM requirements, reinforcing Atlan's reputation for engineering excellence and operational reliability.
Duty Free Retail	Curated retail environments offer an engaging, premium shopping experience. The Group sources products exclusively from authorised distributors and brand principals, supported by strict supplier vetting, regulatory compliance and structured inventory management. Atlan continuously enhances product offerings to improve accessibility and respond to evolving customer needs.	Delivers authentic, premium products in a trusted retail environment, strengthening customer confidence and reinforcing Atlan's promise of quality and exclusivity.
Property	Maintains structured maintenance programmes, preventive inspections and facility upgrades to ensure reliable and safe building operations. Responsive maintenance support and continuous facility enhancements strengthen operational efficiency and tenant experience.	Provides safe, well-maintained and reliable facilities that support tenant satisfaction and reflect Atlan's commitment to operational excellence.
Hospitality	Delivers high-quality guest experiences supported by certified food hygiene practices, structured staff training and strict operational controls. The hospitality property holds the highest five-star rating from the UK Food Standards Agency, reflecting excellence in cleanliness and food safety.	Provides trusted, high-quality hospitality experiences that strengthen guest satisfaction and reinforce Atlan's brand as a premium service provider.

BEYOND EXCELLENCE: PREMIUM, EXCLUSIVE, RESPONSIBLE AND SUSTAINABLE EXPERIENCES (CONT'D)

INNOVATION, OPERATIONAL EXCELLENCE AND VALUE CREATION

Atlan continuously strengthens its operations through innovation, process optimisation and disciplined execution across its business divisions.

The Group maintains quality and reliability through operational improvements such as:

- Preventive maintenance programmes
- Facility upgrades
- Operational enhancements
- Structured training programmes

These initiatives support consistent performance and strengthen operational resilience across duty-free retail, automotive component parts, property and hospitality operations.

Atlan's commitment to excellence extends beyond regulatory compliance. The Group focuses on delivering distinctive value through trusted products, reliable services and differentiated customer experiences.

Maintaining high standards, investing in operational improvements and strengthening quality management systems reinforce Atlan's reputation for excellence and position it for sustained long-term growth.

CONTINUOUS ENHANCEMENT AND OPERATIONAL IMPROVEMENT

Atlan strengthens operational efficiency, service quality and resource management through preventive maintenance, facility upgrades and digital innovation across its property and hospitality operations. These initiatives improve operational reliability, reduce resource wastage and enhance service delivery.

Across property operations, the Group has introduced energy-efficient equipment to improve efficiency and reduce energy consumption. Digital reporting and documentation systems have reduced paper use and strengthened operational control.

Preventive maintenance programmes also support operational reliability through:

- Improved planning and maintenance scheduling
- Reduced equipment breakdowns
- Lower resource wastage
- More reliable building operations

Hospitality operations maintain service standards through regular inspection and maintenance of common areas, surrounding grounds and food and beverage facilities. Reporting maintenance issues through a digital reporting system and promptly addressing them by the maintenance team ensures timely resolution.

CONTINUOUS ENHANCEMENT AND OPERATIONAL IMPROVEMENT (CONT'D)

Estate enhancements have further improved guest experience and accessibility, including:

- Upgrading landscaped areas
- Expanding walking paths
- Improving recreational and fitness facilities

Event spaces continue to support community gatherings and social functions while promoting locally sourced food and beverage products and strengthening local partnerships. The Group is also reviewing future mobility solutions to improve accessibility and convenience.

Digital systems introduced to improve operational efficiency, reduce administrative workload and enhance customer and guest engagement include:

- Workforce management tools
- Digital onboarding processes
- Automated customer communication systems

These systems streamline operations, reduce manual processing and improve responsiveness.

Together, these initiatives strengthen operational efficiency, maintain service reliability and support Atlan's commitment to continuous improvement.

DELIVERING TRUST THROUGH SATISFACTION AND RELATIONSHIPS

Atlan maintains strong relationships with customers, tenants and suppliers through responsive communication, structured feedback and consistent service delivery. Accessible channels, including direct engagement, email, phone and digital platforms, allow stakeholders to provide feedback and receive timely support.

The automotive component parts manufacturing division maintains close engagement with customers and suppliers through:

- Regular communication
- Performance reviews
- Supplier audits

Delivering consistent product quality, reliability and continuous improvement strengthens confidence and supports long-term business relationships.

The Group's duty free retail arm enhances customer satisfaction through its loyalty programme, which offers members exclusive benefits and rewards that encourage repeat patronage and long-term engagement.

DELIVERING TRUST THROUGH SATISFACTION AND RELATIONSHIPS (CONT'D)

Across property and hospitality operations, the Group monitors customer and tenant satisfaction through formal feedback systems and direct engagement. Hospitality operations collect guest feedback through:

- Digital review platforms
- Feedback forms
- Direct interaction with guests

Management reviews feedback outcomes and implements improvements where necessary. Personalised service, including guest recognition, room upgrades and acknowledgement of special occasions, further enhances customer experience and loyalty.

These measures strengthen service quality, reinforce stakeholder trust and support long-term relationships across the Group's operations.

DIGITAL INNOVATION AND TECHNOLOGY ADVANCEMENT

Atlan advances digitalisation across its duty free retail, automotive component parts, property and hospitality operations to strengthen operational efficiency, enhance customer engagement and improve business resilience.

The Group leverages digital platforms, automation and data-driven systems to improve decision-making, streamline processes and support scalable growth.

Division	Digital Innovation and Technology	How This Strengthens Operations and Competitive Advantage
Automotive Component Parts Manufacturing	Adoption of automation, connected production systems and predictive maintenance tools	Improves production efficiency, enhances product quality and reduces unplanned downtime through early detection of equipment issues
Duty free Retail	Integration with e-commerce platforms, digital payment systems and customer analytics, alongside the transition to a centralised digital platform for logistics, procurement and customs coordination	Improves transaction efficiency, enhances customer engagement and provides real-time visibility across ordering, fulfilment and regulatory processes, reducing errors and strengthening operational control
Property	Digital tenant management systems, smart building controls and data-driven maintenance planning	Strengthens tenant service responsiveness, improves facility reliability and optimises maintenance efficiency while reducing operational disruptions
Hospitality	Implementation of contactless guest services, digital onboarding, automated guest communication and data-driven service optimisation	Enhances guest experience, improves operational efficiency and enables personalised service delivery aligned with evolving customer expectations

GROUP-WIDE DIGITAL FOUNDATIONS

Across all divisions, Atlan continues strengthening its digital infrastructure through:

- Cloud-based platforms to improve data accessibility, scalability and operational continuity
- Enhanced cybersecurity controls to protect business and customer information
- Digital workflows and automation to improve efficiency and reduce manual processes
- Data analytics to support operational optimisation and strategic decision-making

STRATEGIC VALUE AND FUTURE READINESS

These digital advancements strengthen operational resilience, improve service quality and enhance Atlan's ability to respond to evolving market demands. Embedding digital innovation into the Group's operating model improves efficiency, reduces operational risk and positions the business for sustained growth in an increasingly technology-driven business environment.

DATA PRIVACY AND SECURITY

Atlan safeguards personal and business information across its duty free retail, automotive component parts, property & hospitality operations. The Group manages data relating to customers, tenants, guests, suppliers and business partners, and implements structured controls to protect the confidentiality, integrity and availability of this data. These measures align with applicable data protection regulations and recognised cybersecurity practices.

A range of operational controls supports data protection, including:

- Access controls to restrict unauthorised system access
- Secure data handling procedures
- Employee awareness and responsible data management practices

The Group configures systems to limit unauthorised access and requires employees to follow password management protocols, including regular password updates and secure authentication practices. The Group also enables automatic workstation screen locking and ensures that employees do not display or store sensitive information in publicly accessible areas.

Operational safeguards further protect customer-facing environments. Payment devices and transaction systems remain secured and under staff supervision to prevent unauthorised access. Personal and transactional information is handled through controlled processes to maintain confidentiality and prevent misuse. Digital onboarding and administrative systems also reduce manual handling of personal data, improving efficiency while strengthening data accuracy and protection.

Regular reminders and internal communications on cybersecurity risks, including identifying phishing attempts and suspicious emails, raise employee awareness. These measures strengthen vigilance, reduce exposure to cyber threats and promote responsible data handling across operations.

SUSTAINABILITY
TARGETS AND PERFORMANCE

As Atlan progresses towards fully adopting NSRF requirements, it remains committed to enhancing the transparency, credibility and measurability of its disclosures. This advancement strengthens sustainability reporting, ensuring greater 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 FY2026 & 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 FY2027 was set using FY2025 as the baseline. However, due to an increase in water usage in line with operational requirements in FY2026, the baseline has been revised to FY2026 to better reflect current operating conditions, and the target year has been extended to FY2029. The Group remains committed to achieving this target based on the updated baseline and timeline.	In progress
Energy management	Reduce energy intensity by 3% (using FY2024 as the baseline) by FY2027. The Group is also 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

GROUP SUSTAINABILITY
PERFORMANCE DATA

Indicator	Unit	FY2024	FY2025	FY2026
Economic				
Economic Value Generated *	RM'000	143,538	191,196	146,506
Employees (Salary and other benefits)	RM'000	75,227	76,435	71,628
Government (Income tax)	RM'000	9,528	11,202	12,442
Providers of capital (Dividends and finance costs)	RM'000	42,420	51,881	37,928
Community (Donations)	RM'000	350	1,150	500
Total Economic Value Distributed	RM'000	127,525	140,668	122,498
**Represents revenue and other income net off operating expenses*				
Anti-Corruption				
Confirmed incidents of corruption	No.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	No.	0	0	0
Total number of confirmed incidents in which 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	NA	0	0
Anti-Corruption Training				
Total number of employees who have received training on anti-corruption	No. (%)	82 (6.53%)	10 (0.82%)	1 (0.09%)
Total number of executive employees who have received training on anti-corruption	No. (%)	72 (30.77%)	1 (0.41%)	1 (0.44%)
Total number of non-executive employees who have received training on anti-corruption	No. (%)	10 (0.98%)	9 (0.92%)	0 (0.00%)
Total number of governance body members who have received training on anti-corruption	No.	9	0	0

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Economic				
Anti-Corruption Risk				
Percentage of operations assessed for corruption-related risks	%	100	100	100
Supply-Chain				
Proportion of spending on local suppliers	%	74.76%	64.55%	65.28%
Environment				
Water				
Municipal water consumption	m^3	105,849	125,743	141,033
Groundwater consumption	m^3	NA	NA	4,060
Total water consumption	m^3	105,849	125,743	145,093
Water intensity	m^3/ Revenue (RM'000)	0.233	0.276	0.343
Energy				
Direct energy *	GJ	7,381	10,372	8,864
Grid electricity *	GJ	30,427	28,123	26,002
Renewable energy	GJ (%) †	2,653 (6.6%)	6,876 (15.2%)	6,901 (16.5%)
Grid electricity	kWh	8,451,843	7,811,863	7,222,666
Renewable energy	kWh (%) ††	737,000 (8.7%)	1,910,024 (24.5%)	1,917,019 (26.5%)
Total electricity	kWh	9,188,843	9,721,887	9,139,685
Total electricity	GJ	33,080	34,999	32,903
Total energy	GJ	40,461	45,371	41,767
Energy intensity	MJ/ Revenue (RM'000)	89	100	102

† Percentage of total energy
†† Percentage of total electricity

** Conversion coefficients for diesel and petrol to joules are derived using the stationary combustion emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.*

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Environment				
GHG Emissions				
Scope 1 emissions				
CO_2	tCO_2e	517	689	526
CH_4	tCO_2e	0.33	0.69	0.56
N_2O	tCO_2e	1.85	1.85	0.99
Total scope 1 emissions	tCO_2e	520	692	527
Scope 2 emissions	tCO_2e	6,406	6,213	5,242
Total operating emissions	tCO_2e	6,926	6,905	5,769
Emissions intensity	$kgCO_2e$/ Revenue (RM'000)	15.27	15.17	14.04
Scope 3 emissions				
1. Purchased Goods and Services				
CO_2	tCO_2e	NA	NA	44,695
CH_4	tCO_2e	NA	NA	141
N_2O	tCO_2e	NA	NA	101
HFC	tCO_2e	NA	NA	5,203
PFC	tCO_2e	NA	NA	21.9
SF_6	tCO_2e	NA	NA	6.7
Other F-gases (unspecified)	tCO_2e	NA	NA	4,854
Total CO_2e	**tCO_2e**	**NA**	**NA**	**55,023**
2. Capital Goods				
CO_2	tCO_2e	NA	NA	5,071
CH_4	tCO_2e	NA	NA	71.2
N_2O	tCO_2e	NA	NA	10.2
HFC	tCO_2e	NA	NA	449
PFC	tCO_2e	NA	NA	22.2
SF_6	tCO_2e	NA	NA	5.9
Other F-gases (unspecified)	tCO_2e	NA	NA	418
Total CO_2e	**tCO_2e**	**NA**	**NA**	**6,048**

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Environment				
GHG Emissions				
Scope 3 emissions				
3. Fuel- and Energy-Related Activities	**tCO_2e**	**281**	**296**	**243**
4. Upstream Transportation and Distribution				
CO_2	tCO_2e	NA	NA	730
CH_4	tCO_2e	NA	NA	4.7
N_2O	tCO_2e	NA	NA	5.5
HFC	tCO_2e	NA	NA	14.3
PFC	tCO_2e	NA	NA	0.00
SF_6	tCO_2e	NA	NA	<0.01
Other F-gases (unspecified)	tCO_2e	NA	NA	13.4
Total CO_2e	**tCO_2e**	**NA**	**NA**	**768**
5. Waste Generated in Operations				
CO_2	tCO_2e	NA	NA	65.2
CH_4	tCO_2e	NA	NA	46.3
N_2O	tCO_2e	NA	NA	2.5
HFC	tCO_2e	NA	NA	0.50
PFC	tCO_2e	NA	NA	0.00
SF_6	tCO_2e	NA	NA	0.22
Other F-gases (unspecified)	tCO_2e	NA	NA	0.47
Total CO_2e	**tCO_2e**	**NA**	**NA**	**115**
6. Business Travel				
CO_2	tCO_2e	NA	29.67	173
CH_4	tCO_2e	NA	0.02	0.61
N_2O	tCO_2e	NA	0.25	2.8
HFC	tCO_2e	NA	NA	17.3
PFC	tCO_2e	NA	NA	0.00
SF_6	tCO_2e	NA	NA	0.01
Other F-gases (unspecified)	tCO_2e	NA	NA	16.2
Total CO_2e	**tCO_2e**	**75.39**	**29.94**	**210**

Indicator	Unit	FY2024	FY2025	FY2026
Environment				
GHG Emissions				
Scope 3 emissions				
7. Employee Commuting				
CO_2	tCO_2e	NA	869	793
CH_4	tCO_2e	NA	3.9	2.1
N_2O	tCO_2e	NA	3.2	2.7
CO_2e	**tCO_2e**	**1,881**	**876**	**798**
8. Upstream Leased Assets				
CO_2	tCO_2e	NA	NA	1,688
CH_4	tCO_2e	NA	NA	3.3
N_2O	tCO_2e	NA	NA	10.9
HFC	tCO_2e	NA	NA	2.8
PFC	tCO_2e	NA	NA	0.00
SF_6	tCO_2e	NA	NA	0.00
Other F-gases (unspecified)	tCO_2e	NA	NA	2.6
Total CO_2e	**tCO_2e**	**NA**	**NA**	**1,708**
9. Downstream Transportation and Distribution				
CO_2	tCO_2e	NA	NA	15.2
CH_4	tCO_2e	NA	NA	0.09
N_2O	tCO_2e	NA	NA	0.28
HFC	tCO_2e	NA	NA	0.52
PFC	tCO_2e	NA	NA	0.00
SF_6	tCO_2e	NA	NA	0.01
Other F-gases (unspecified)	tCO_2e	NA	NA	0.48
Total CO_2e	**tCO_2e**	**NA**	**NA**	**16.5**

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Environment				
GHG Emissions				
Scope 3 emissions				
13. Downstream Leased Assets				
CO_2	tCO_2e	NA	NA	1,047
CH_4	tCO_2e	NA	NA	2.1
N_2O	tCO_2e	NA	NA	6.8
HFC	tCO_2e	NA	NA	1.7
PFC	tCO_2e	NA	NA	0.00
SF_6	tCO_2e	NA	NA	0.00
Other F-gases (unspecified)	tCO_2e	NA	NA	1.6
Total CO_2e	**tCO_2e**		**NA**	**1,059**
14. Franchises	tCO_2e	NA	0	0
Total Scope 3 emissions	**tCO_2e**	**2,238**	**1,202**	**65,988**

Reporting Boundaries and Methodology Reporting Boundary

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

Emission Factor ("EF") Framework

Scope 1 emissions are calculated using emission factors derived from the IPCC 2006 Guidelines for National Greenhouse Gas Inventories, except for natural gas, which is calculated using the UK Government GHG Reporting Conversion Factors. ***Scope 2*** emissions are calculated using the Energy Commission Grid Emission Factor and, where applicable, the UK Government GHG Reporting Conversion Factors. Scope 2 emissions are reported on a location-based basis. For ***Scope 3***, Fuel and Energy-Related Activities, Employee Commuting and DFI Business Travel are calculated using the UK Government GHG Reporting Conversion Factors. Purchased Goods and Services, Capital Goods, Waste Generated in Operations, Atlan Business Travel, Upstream Transportation and Distribution, Upstream Leased Assets, Downstream Transportation and Distribution, and Downstream Leased Assets are calculated using Open CEDA emission factors on a purchaser price basis. Franchises are reported as zero as these categories are not applicable to Atlan's operations.

Trade Adjustment Methodology

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

Indicator	Unit	FY2024	FY2025	FY2026
Environment				
Non-GHG Pollution				
Criteria Air Pollutants (CAP)				
NOx	kg	NA	NA	13,117
SO_2	kg	NA	NA	13,575
CO	kg	NA	NA	12,941
PM10	kg	NA	NA	1,658
PM2.5	kg	NA	NA	1,650
VOC (aggregate)	kg	NA	NA	9,439
NH_2	kg	NA	NA	343
Ozone-Depleting Substances				
Halon 1001	kg CFC-11 eq.	NA	NA	2.38
1,1,1-trichloroethane	kg CFC-11 eq.	NA	NA	0.45
Carbon tetrachloride	kg CFC-11 eq.	NA	NA	0.03
Methyl chloroform	kg CFC-11 eq.	NA	NA	0.04
Methyl bromide	kg CFC-11 eq.	NA	NA	0.25
Total ODP-weighted		NA	NA	3.15
Others				
Acid & Reactive Gases	kg	NA	NA	277
Heavy Metals	kg	NA	NA	13
Hazardous Organic Pollutants	kg	NA	NA	964
Other Air Pollutants	kg	NA	NA	864

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

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Environment				
Waste				
Total solid waste disposed/generated	tonnes	1,631	1,701	1,583
Metal waste (recycled)	tonnes	1,584	1,369	1,277
Carton boxes (recycled)	tonnes	48	256	209
Other solid waste (recycled)	tonnes	0	70	54
Other solid waste (non recycled)	tonnes	NA	6	43
Total solid waste recycled (diverted from landfill)	tonnes	1,631	1,695	1,540
Scheduled waste				
Paint sludge	tonnes	12	10	9
Total scheduled waste	tonnes	12	10	9
Total waste disposal	tonnes	1,643	1,711	1,592
Materials				
Total weight of materials used to produce and package products and services	tonnes	47	30	30
Social				
Diversity				
Total Headcount	No.	1,255	1,218	1,094
By Gender				
Male	No. (%)	941 (75.0%)	886 (72.7%)	802 (73.3%)
Female	No. (%)	314 (25.0%)	332 (27.3%)	292 (26.7%)
By Age Group				
<30	No. (%)	475 (37.8%)	444 (36.5%)	360 (32.9%)
30-50	No. (%)	597 (47.6%)	597 (49.0%)	556 (50.8%)
>50	No. (%)	183 (14.6%)	177 (14.5%)	178 (16.3%)
By Employment Contract				
Permanent	No. (%)	1,195 (95.2%)	1,109 (91.1%)	979 (89.5%)
Contract	No. (%)	60 (4.8%)	109 (8.9%)	115 (10.5%)

Indicator	Unit	FY2024	FY2025	FY2026
Social				
Diversity				
By Employment Category				
Executives	No. (%)	234 (18.6%)	245 (20.1%)	229 (20.9%)
Non-executives	No. (%)	1,021 (81.4%)	973 (79.9%)	865 (79.1%)
By Ethnicity				
Malay	No. (%)	474 (37.8%)	410 (33.7%)	364 (33.3%)
Chinese	No. (%)	92 (7.3%)	81 (6.7%)	73 (6.7%)
Indian	No. (%)	155 (12.4%)	147 (12.1%)	140 (12.8%)
Others	No. (%)	534 (42.5%)	580 (47.6%)	517 (47.3%)
By Disabilities				
Disabled employees	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
By Gender and Age Group for Each Employment Contract				
Permanent				
Female	No. (%)	876 (73.3%)	819 (73.9%)	235 (24.0%)
Male	No. (%)	319 (26.7%)	290 (26.1%)	744 (76.0%)
<30	No. (%)	455 (38.1%)	399 (36.0%)	312 (31.9%)
30-50	No. (%)	587 (49.1%)	575 (51.8%)	534 (54.5%)
>50	No. (%)	153 (12.8%)	135 (12.2%)	133 (13.6%)
Contract				
Female	No. (%)	39 (65.0%)	53 (48.6%)	70 (60.9%)
Male	No. (%)	21 (35.0%)	56 (51.4%)	45 (39.1%)
<30	No. (%)	20 (33.3%)	46 (42.2%)	47 (40.9%)
30-50	No. (%)	3 (5.0%)	19 (17.4%)	21 (18.3%)
>50	No. (%)	37 (61.7%)	44 (40.4%)	47 (40.9%)

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Social				
Contract				
By Gender and Age Group for Each Employment Category				
Non-Executive				
Female	No. (%)	224 (21.9%)	239 (24.6%)	205 (23.7%)
Male	No. (%)	797 (78.1%)	734 (75.4%)	660 (76.3%)
<30	No. (%)	446 (43.7%)	409 (42.0%)	326 (37.7%)
30-50	No. (%)	465 (45.5%)	465 (47.8%)	444 (51.3%)
>50	No. (%)	110 (10.8%)	99 (10.2%)	95 (11.0%)
Executive				
Female	No. (%)	90 (38.5%)	93 (38.0%)	87 (38.0%)
Male	No. (%)	144 (61.5%)	152 (62.0%)	142 (62.0%)
<30	No. (%)	29 (12.4%)	35 (14.3%)	34 (14.8%)
30-50	No. (%)	132 (56.4%)	132 (53.9%)	112 (48.9%)
>50	No. (%)	73 (31.2%)	78 (31.8%)	83 (36.2%)
Female Representation in Management				
Women in Middle Management	%	31.9%	33.3%	36.2%
Women in Senior Management	%	28.0%	30.8%	31.0%
Director diversity				
Total number of directors	No.	9	9	9
By Gender				
Male	No. (%)	8 (88.9%)	8 (88.9%)	8 (88.9%)
Female	No. (%)	1 (11.1%)	1 (11.1%)	1 (11.1%)
By Age				
<30	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
30-50	No. (%)	1 (11.1%)	0 (0.0%)	2 (22.2%)
>50	No. (%)	8 (88.9%)	9 (100.0%)	7 (77.8%)

Indicator	Unit	FY2024	FY2025	FY2026
Social				
Director diversity				
By Independence				
Independent	No. (%)	5 (55.6%)	5 (55.6%)	5 (55.6%)
Non-Independent	No. (%)	4 (44.4%)	4 (44.4%)	4 (44.4%)
Turnover				
Total turnover	No. (rate *)	196 (15.7%)	380 (30.7%)	367 (31.7%)
Turnover by Gender				
Male	No. (rate *)	136 (14.6%)	250 (27.4%)	239 (28.3%)
Female	No. (rate *)	60 (19.0%)	130 (40.2%)	128 (41.0%)
Turnover by Age Group				
<30	No. (rate *)	121 (24.2%)	195 (42.4%)	208 (51.7%)
30-50	No. (rate *)	54 (9.4%)	128 (21.4%)	115 (19.9%)
>50	No. (rate *)	21 (12.1%)	57 (31.7%)	44 (24.8%)
Turnover by Employment Contract				
Permanent	No. (rate *)	183 (15.3%)	336 (29.2%)	343 (32.9%)
Contract/Temporary	No. (rate *)	13 (25.5%)	44 (52.1%)	24 (21.4%)
Turnover by Employment Category				
Executive	No. (rate *)	28 (13.1%)	38 (15.9%)	55 (23.2%)
Non-executive	No. (rate *)	168 (16.2%)	342 (34.3%)	312 (33.9%)
** Turnover rate is calculated by dividing the number of employees leaving by the average number of employees for each category.*				
New hires				
Total new hires	No.	196	191	183
By gender				
Male	No.	141	104	105
Female	No.	55	87	78
By age				
<30	No.	148	137	115
30-50	No.	42	40	39
>50	No.	6	14	29

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Social				
Other Labour Practices				
Average hourly wage	RM	NA	NA	NA
Percentage of in-store and distribution centre employees earning minimum wage by region	%	NA	NA	NA
Total amount of monetary losses as a result of legal proceedings associated with labour law violations	RM	NA	NA	NA
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	RM	NA	NA	NA
Corporate Social Responsibility				
Total contribution to non-profit organisations	RM	350,000	1,150,000	500,000
Total number of beneficiaries of the investment in communities	No.	323	320	489
Training				
Total training hours	Hours	5,374	5,569	7,135
Total investment in training	RM	52,308	58,844	128,237
Training Hours by Employment Category				
Executive	Hours	2,920	2,867	4,339
Non-executive	Hours	2,454	2,702	2,796
Training Hours by Gender				
Male	Hours	2,874	3,215	3,910
Female	Hours	2,501	2,354	3,225
Training Hours by Contract				
Permanent	Hours	5,210	4,365	6,859
Contract	Hours	164	1,204	277
Average training hours per employee	Hours	4	5	7
Number of training days	Days	672	358	489

GROUP SUSTAINABILITY PERFORMANCE DATA

(CONT'D)

Indicator	Unit	FY2024	FY2025	FY2026
Social				
Health and Safety				
Number of work-related fatalities	No.	0	0	0
High-consequence injuries	No.	0	0	0
Recordable injuries	No.	6	12	14
Recordable work-related ill health cases	No.	0	0	40
Lost Time Incident Rate	Rate *	5.34	9.60	6.80
Number of employees trained on health and safety standards	No.	362	239	538

* *Number of lost time injuries in the reporting period / total number of hours worked in the reporting period *200,000*

Indicator	Unit	FY2024	FY2025	FY2026
Human rights				
Number of substantiated complaints concerning human rights violations	No.	0	0	0
Data Privacy and Security				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0
Proportion that are personal data breaches	%	NA	NA	0
Number of customers affected	No.	NA	NA	0
Customer Health & Safety / Product Responsibility				
Total number of significant product and service categories for which health and safety impacts are assessed for improvement	No.	0	0	0
Total number of significant product and service categories	No.	4	4	4
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	%	0	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.	0	0	0
Number of recalls issued and total units recalled for health and safety reasons	No.	0	0	0

Note: Percentages might not total 100% due to rounding

BURSA MALAYSIA
PRESCRIBED TABLE

ATLAN HOLDINGS BHD
BMLR Transition Period

Date & Time: 2026-06-23_10:13:58
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - (Executive)	Percentage	0.41%	0.44%	-	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category - (Non Executive)	Percentage	0.92%	0.00%	-	No assurance
Anti-corruption	Percentage of operations assessed for corruption--related risks	Percentage	100%	100%	-	No assurance
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	0	-	No assurance
Community	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Ringgit Malaysia	1,150,000	500,000	-	Internal
Community	Total number of beneficiaries of the investment in communities	Number	320	489	-	No assurance
Health and safety	Number of work-related fatalities	Number	0	0	-	Internal
Health and safety	Lost time incident rate ("LTIR")	Rate	9.60	6.80	-	Internal
Health and safety	Number of employees trained on health and safety standards	Number	239	538	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Age group by Employee Category (Executive under 30)	Percentage	14.3%	14.9%	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-06-23_10:13:58

Page 1 of 6

BURSA MALAYSIA PRESCRIBED TABLE

(CONT'D)

ATLAN HOLDINGS BHD

BMLR Transition Period

Date & Time: 2026-06-23_10:13:58

Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category -Age group by Employee Category (Executive between 30-50)	Percentage	53.9%	48.9%	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Age group by Employee Category (Executive above 50)	Percentage	31.8%	36.2%	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Age group by Employee Category (Non Executive under 30)	Percentage	42.0%	37.7%	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Age group by Employee Category (Non Executive between 30-50)	Percentage	47.8%	51.3%	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Age group by Employee Category (Non Executive above 50)	Percentage	10.2%	11.0%	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Gender group by Employee Category (Executive - Male)	Percentage	62.0%	62.0%	-	Internal

BURSA MALAYSIA PRESCRIBED TABLE

(CONT'D)

ATLAN HOLDINGS BHD
BMLR Transition Period

Date & Time: 2026-06-23_10:13:58
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of employees by gender and age group, for each employee category -Gender group by Employee Category (Executive - Female)	Percentage	38.0%	38.0%	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Gender group by Employee Category (Non Executive - Male)	Percentage	75.4%	76.3%	-	Internal
Diversity	Percentage of employees by gender and age group, for each employee category -Gender group by Employee Category (Non Executive - Female)	Percentage	24.6%	23.7%	-	Internal
Diversity	Percentage of directors by gender and age group- (Male)	Percentage	88.9%	88.9%	-	Internal
Diversity	Percentage of directors by gender and age group- (Female)	Percentage	11.1%	11.1%	-	Internal
Diversity	Percentage of directors by gender and age group- (Under 30)	Percentage	0.0%	0.0%	-	Internal
Diversity	Percentage of directors by gender and age group- (Between 30-50)	Percentage	0.0%	22.2%	-	Internal
Diversity	Percentage of directors by gender and age group- (Above 50)	Percentage	100.0%	77.8%	-	Internal
Energy management	Total energy consumption	Megawatt	12,603	11,602	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-06-23_10:13:58

BURSA MALAYSIA PRESCRIBED TABLE

(CONT'D)

ATLAN HOLDINGS BHD

BMLR Transition Period

Date & Time: 2026-06-23_10:13:58

Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Total hours of training by employee category - (Executive)	Hours	2,867	4,339	-	No assurance
Labour practices and standards	Total hours of training by employee category - (Non Executive)	Hours	2,702	2,796	-	No assurance
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	8.9%	10.5%	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category - (Executive)	Number	38	55	-	No assurance
Labour practices and standards	Total number of employee turnover by employee category - (Non Executive)	Number	342	312	-	No assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0	-	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	64.5%	65.3%	-	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	-	No assurance
Water	Total volume of water used	Megalitres	125.74	141.03	-	Internal
Waste	Total waste generated	Metric tonnes	1,711	1,592	-	Internal
Waste	Total waste diverted from disposal	Metric tonnes	1,695	1,540	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-06-23_10:13:58

Page 4 of 6

BURSA MALAYSIA PRESCRIBED TABLE

(CONT'D)

ATLAN HOLDINGS BHD

BMLR Transition Period

Date & Time: 2026-06-23_10:13:58

Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Waste	Total waste directed to disposal	Metric tonnes	16	52	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-06-23_10:13:58

Page 5 of 6

BURSA MALAYSIA PRESCRIBED TABLE

(CONT'D)

ATLAN HOLDINGS BHD
IFRS S2

Date & Time: 2026-06-23 10:13:58
Main Market | Group 2 | FYE 28/02/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	692	527	-	No assurance
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	6,213	5,242	-	No assurance
GHG emissions	Scope 3 Cat.1: Purchased goods and services	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	55,023	-	No assurance
GHG emissions	Scope 3 Cat.2: Capital goods	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	6,048	-	No assurance
GHG emissions	Scope 3 Cat.3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	243	-	No assurance
GHG emissions	Scope 3 Cat.4: Upstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	768	-	No assurance
GHG emissions	Scope 3 Cat.5: Waste generated in operations	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	115	-	No assurance
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	29.94	210	-	No assurance
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	876	798	-	No assurance
GHG emissions	Scope 3 Cat.8: Upstream leased assets	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	1,708	-	No assurance
GHG emissions	Scope 3 Cat.9: Downstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	16.5	-	No assurance
GHG emissions	Scope 3 Cat.13: Downstream leased assets	Metric tonnes of carbon dioxide equivalents (tCO2e)	-	1,059	-	No assurance

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"), which provides 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 2026 ("FY2026"), 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 FY2026 published on the Company's website at https://www.atlan.com.my and Bursa Securities' website at www.bursamalaysia.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 - BOARD RESPONSIBILITIES

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 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 Board has a formal schedule of matters reserved for its decision, including reviewing and approving strategic plans and key policies, overseeing business conduct and risk management, and ensuring the adequacy of internal controls and management information systems. It also establishes Board committees, approves financial results, ensures the appointment and succession planning of capable senior management, and oversees the Company's shareholder communication policies.

The Board also oversees Management's performance, receiving quarterly updates, actively engaging in discussions on the Group's performance, and assessing Management's effectiveness to ensure the business is properly managed. At Board meetings, and as required, Management briefs the Directors on the Group's operations, key issues, and business plans, ensuring the Board remains informed of business activities and developments. This enables the Board to provide guidance on both short- and long-term strategies, including effective resource allocation, in line with the Group's values and standards.

In order to assist in the discharge of its stewardship role, the Board has established the following Board Committees to assist the Board in the running of its function: -

- Audit and Risk Management Committee ("ARMC");
- Nomination Committee; and
- Remuneration Committee

The Board Committees assist the Board in overseeing the Company and Group's affairs and deliberate on issues within the respective functions and terms of reference ("TOR"). 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.

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

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

1.2 The Chairman of the Board

The Board is helmed by the Executive Chairman, Dato' Sri Adam Sani Bin Abdullah. The Chairman provides strategic leadership to the Board and ensures the effective discharge of its responsibilities. He also ensures that the Group's operations are aligned with the Board's strategic direction, the Company's vision, and corporate policies, while facilitating robust communication between the Board and Management. The Chairman presides over Board meetings, ensuring Directors are afforded sufficient time to deliberate on matters presented. He promotes active participation and constructive discussions among Directors to support balanced and well-informed decision-making. The Board has established appropriate checks and balances through its Board Committees, which operate within their respective TOR and established policies and procedures.

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

The positions of Executive Chairman of the Board and the Group Chief Executive Officer ("Group CEO") are held by two (2) separate individuals, with clearly defined divisions of power and responsibilities as outlined in the Board Charter. The position of Group CEO is held by Datuk Lee Kok Khee. 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 Group CEO 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 distinct roles and responsibilities are clearly delineated in the Company's Board Charter, ensuring accountability and a clear division of functions between the leadership of the Board and the executive management of the Group.

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.

In performing their duties, the Company Secretaries ensure compliance with statutory and regulatory requirements, facilitate and attend Board, Board Committee, and general meetings, and ensure such meetings are properly convened and documented. They support effective Board operations by ensuring timely communication of decisions, proper appointment processes, maintenance of statutory records, and provision of relevant information to Directors. They also assist with regulatory filings and announcements, facilitate Board assessments, and provide ongoing advice and support to the Board and Management, while keeping the Board informed of the latest regulatory developments and ensuring accurate documentation of deliberations.

During FY2026, 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.

Prior to the scheduled meeting, 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.

The relevant 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 and Board Committee meetings are approved by the respective Board or Board Committees and signed by the respective Chairman as an accurate record of proceedings. These minutes are kept in the Minutes Books at the registered office of the Company and are available for inspection.

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 4 June 2026.

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

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.

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, balanced 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.

4.1 Governance of Sustainability

The Board recognises sustainability as an integral component of the Group's strategic direction and decision-making process, particularly in identifying and addressing material Environmental, Social and Governance ("ESG") factors.

The Board is responsible for overseeing the development and adoption of the Group's sustainability framework, ensuring that sustainability considerations are embedded within the Group's overall business strategy and operations.

The implementation of sustainability initiatives is driven by the Group CEO, supported by the Sustainability Working Group. The Sustainability Working Group is responsible for the day-to-day management of sustainability initiatives and projects, as well as coordinating with the relevant key business functions to ensure that sustainability plans are executed within the stipulated timelines and that accurate and reliable information is provided for sustainability reporting and disclosure purposes.

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 34 to 111 of the Annual Report 2026.

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 FY2026. 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 Group CEO 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.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART 2 - BOARD COMPOSITION

5.1 Board Appointment
5.2 Board Composition

The Board currently comprises four (4) Independent Non-Executive Directors including a Senior Independent Director, three (3) Non-Independent Non-Executive Directors and an Executive Chairman. 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 MCCG, where at least half of the board comprises Independent Directors.

Dato' Woo Hon Kong had served as an Independent Non-Executive Director of the Company for a 12-year tenure, which concluded on 15 May 2026 pursuant to Chapter 1.01(h) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Accordingly, in line with the said requirements, he resigned as an Independent Non-Executive Director upon the expiry of his tenure.

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.

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 requires 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 risks 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.

Tuan Haji Mohd Jaffar Bin Awang (Ismail) ("Tuan Haji Jaffar") was appointed to the Board as an Independent Non-Executive Director on 16 May 2017 and his tenure in office has been more than nine (9) years, and his twelfth (12^{th}) year tenure will be due on 15 May 2029.

Both the Nomination Committee and the Board on 29 April 2026 assessed the independence of Tuan Haji Jaffar and were satisfied with his skills, contribution and independent judgements. Besides, Tuan Haji Jaffar 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, Tuan Haji Jaffar has confirmed and declared in writing that he is an 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 have reviewed and assessed the application of two-tier voting as recommended by MCCG. However, the Company will seek shareholders' approval for retaining Tuan Haji Jaffar who has served more than nine (9) years as an Independent Director through the usual voting practice at this forthcoming 37^{th} 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 37^{th} AGM to retain Tuan Haji Jaffar as an Independent Director of the Company.

5.5 Appointment of Board and Senior Management

The Board endeavours to ensure that it comprises 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 FY2026, the majority of the Directors 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.

The Nomination Committee is responsible for evaluating and recommending candidates for Board appointments based on criteria such as skills, knowledge, experience, competencies, professionalism, integrity, independence, and absence of conflicts of interest, as well as diversity factors including gender, age, and cultural background, in line with the Directors' Fit and Proper Policy. It also considers candidates proposed by directors, senior management, or shareholders, ensures appropriate Board composition, develops and reviews selection criteria, and recommends appointments to Board committees.

In addition, the Committee reviews the Board's overall effectiveness and the performance of individual directors, including Independent Non-Executive Directors, the Group CEO, and key officers, as well as the ARMC and its members. It oversees re-appointment and re-election of directors, including independence tenure considerations, facilitates induction and training programmes, and supports succession planning for the Board and senior management to ensure the Group is equipped to meet future challenges and opportunities.

5.7 Re-election of Directors at the general meeting

The performance of retiring Directors recommended for re-election at the 36th 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 36th AGM has been stated in the explanatory notes of the Notice of 36th AGM.

The retiring Directors at the 36th AGM pursuant to Regulation 100 of the Constitution were Dato' Sri Adam Sani bin Abdullah, Dato' Sri Robin Tan Yeong Ching and Mr. Tan Thiam Chai ("Retiring Directors"). All of them have consented to continue in office and accordingly offered themselves for re-election at the 36th 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 36th 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 36th 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.

The Nomination Committee undertook the following activities during the FY2026: -

(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 36th AGM held on 17 July 2025;
(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 36th AGM;
(ix) Reviewed the proposed appointment of new Directors;
(x) Reviewed the proposed establishment of Executive Committee; and
(xi) Reviewed the proposed appointment of Key Senior Management.

Under the Board Charter, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his responsibilities. Directors are required to notify the Chairman before accepting any new directorship(s). The notification will include an indication of time that will be spent on the new appointment(s). Any Director is, while holding office, at liberty to accept other Board appointment in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company. All the Directors do not hold directorships at more than five (5) public listed companies as prescribed in Paragraph 15.06 of the MMLR.

Directors are expected to give sufficient time and attention to carry out their responsibilities. For FY2026, the Board held five (5) meetings and the attendance record of the Directors was satisfactory. The attendance record of the Directors at the Board meetings is 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	5/5
3.	Dato' Dr. Abdul Razak Bin Abdul	5/5
4.	Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah	5/5
5.	Tuan Haji Mohd Jaffar Bin Awang (Ismail)	5/5
6.	Tan Thiam Chai	5/5
7.	Sebastian Paul Lim Chin Foo *(Appointed on 10 November 2025)*	1/1
8.	Nor Shahniza Binti Shahbudin *(Appointed on 24 October 2025)*	1/1
9.	Datuk Zawati Binti Abd Rahman *(Resigned on 31 July 2025)*	3/3
10.	Dato' Woo Hon Kong *(Resigned on 15 May 2026)*	5/5
11.	Lee Sze Siang *(Resigned on 10 November 2025)*	2/4

For FY2026, 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.

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 FY2026 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;
- Board Governance & Oversight for ESG impact on Group's Business;
- Forbes Asia Best Under A Billion Forum and Awards Dinner;
- Latest Development of AI Technology, Data Information and Tax Issues;
- Mandatory Accreditation Programme Part II : Leading for Impact (LIP); and
- AOB Conversation with Audit Committees.

The Company Secretaries circulate relevant guidelines on statutory and regulatory requirements from time to time to the Board for reference. During FY2026, 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 FY2026.

Upon review, the Board concluded that the Directors' training for FY2026 was adequate.

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. Puan Nor Shahniza binti Shahbudin was appointed as an Independent and Non-Executive Director of the Company on 24 October 2025. 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 prioritised, 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.

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 FY2026, 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 FY2026, 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 37th AGM for shareholders' approval.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

PART 3 - REMUNERATION

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 Chairman and Senior Management. For 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 Chairman and Senior Management, the Remuneration Committee had considered the compensation and benefits which commensurate with the level of the Executive Chairman and Senior Management's responsibilities and performance, as well as taking into consideration the Group's performance relative to the industry. The Executive Chairman is not entitled to annual fees nor receive any meeting allowances for the Board and Board Committees Meetings he attends.

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.

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 FY2026, the Remuneration Committee conducted its annual assessment of the remuneration package of the Executive Chairman and Senior Management.

In addition, the Remuneration Committee also deliberated on the Directors' fees for FY2026 which is subject to the shareholders' approval at the forthcoming 37th AGM.

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 FY2026, the Board decided that the Directors' fees for FY2026 be maintained as the previous financial year for Non-Executive Directors and be recommended to the shareholders' approval at the forthcoming 37th 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.

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 37th AGM.

A summary of each individual Directors' remuneration (including benefit-in-kind) in the Company for services rendered to the Group for FY2026 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 taken into consideration include 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.

Pursuant to the Appendix 9C of the Listing Requirement of Bursa Securities, the remuneration of the Group CEO is required to be disclosed on a named basis. In compliance with this requirement, the details of the Group CEO's remuneration for FY2026 are set out in the Corporate Governance Report which is available on the Company's website at https://www.atlan.com.my.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 - AUDIT COMMITTEE

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.

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 of Independent Directors.

This is in compliance with Paragraph 15.09(1)(b) 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 comprise 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.

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 FY2026 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

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, 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 162 to 165 of this Annual Report.

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.

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 161 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 FY2026, 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 have 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 FY2026 were approximately RM407,000.

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

Mr. Muhamad Anwar Bin Mustaffa, 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 on 22 May 2025 reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal auditors for the financial year ended 28 February 2025 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 FY2026, 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 STAKEHOLDERS

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 Group Chief Executive Officer to approve all announcements for release to Bursa Securities. The Group Chief Executive Officer 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.

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 as and when necessary.

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 MCCG 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

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.

The Annual Report 2025, which contained the Notice of the 36th 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 36th 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 general meeting also serves as an avenue for the Chairman and the Board members to engage in a two-way communication with shareholders where the shareholders are encouraged to participate in the question-and-answer session with the Board personally and exercise their right to vote on the proposed resolutions. The Board will ensure that all Board members, particularly the chairperson of each Board Committee will make their endeavours to attend general meeting to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders. The external auditors will be present at the AGM to respond to any queries from shareholders on the audit conducted, the preparation and content of the auditors' report, the accounting policies adopted by the Company, and the independent audit review of the Company's financial position.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 36th AGM along with the Company's responses.

13.4 Voting

The Company's General Meeting is not held in a remote location. The Company has adopted manual polling for its 2025 AGM and its Extraordinary General Meeting ("EGM") held on 23 October 2025. As for voting in absentia and remote shareholders' participation, the existing proxy form authorising proxies or Chairman of meeting is an alternative measure adopted by the Company.

Shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his/her stead at a general meeting.

As a listed entity on Bursa Securities in Malaysia, the Board noted that majority of the shareholders of the Company reside in Malaysia and predominantly in either Penang or Kuala Lumpur. Therefore, the general meetings of the Company have always been held in Penang or Kuala Lumpur.

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.

13.5 Virtual General Meeting

The Securities Commission of Malaysia, had mandated all public listed companies to hold their general meetings in either physical or hybrid format with effect from 1 March 2025.

While the Board acknowledges that Practice 13.3 of the MCCG encourages companies to leverage technology to facilitate remote shareholders' participation at general meetings, the Board is of the view that conducting general meetings in a physical format allows more meaningful engagement and interaction between the Board, Senior Management, and shareholders. Physical meetings also enable real-time interaction and immediate clarification of queries, which are important in strengthening shareholder confidence.

13.6 Minutes of the General Meeting

The Company's AGM and EGM remain as 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 and EGM.

The Minutes of 36th AGM and the EGM 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 36th AGM and EGM respectively, so as to provide useful information to shareholders and investors especially for absentee shareholders who were unable to attend the meetings.

This statement is made in accordance with resolution of the Board 5 June 2026.

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 2026, the Company did not raise any funds through any corporate proposal or 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 2026 are as follows:-

	Company (RM)	Group (RM)
Audit Fees	97,000	1,103,000
Non-Audit Fees	48,000	63,000
Total Fees	145,000	1,166,000

The non-audit fees breakdown for the Group amounting to RM63,000 are as follows:-

	Group (RM)
Reviewing Statement of Risk Management and Internal Control	13,000
Review in connection with intra-group transfer	35,000
Taxation fees	15,000
Total	63,000

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 be 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 39 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 2026 or entered into since the previous financial year ended 28 February 2025.

4. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Remarks	Group 2026 RM'000	Group 2025 RM'000
Total income			
Revenue		410,986	455,115
Other income		29,276	7,227
Total		**440,262**	**462,342**
Total assets		**685,690**	**796,250**

(b) Business activities

	Remarks	Group 2026 RM'000	Group 2025 RM'000
Shariah Non-Compliant Activities			
Revenue from duty free and non-dutiable activities	Sales of alcoholic beverages and tobacco products	124,668	133,657
Interest income	Interest on short term deposits with conventional financial institution	7,849	7,145
Interest income - third party	Conventional	419	1,755
Rental income	Advertisement space for Shariah Non-Compliant activities	6	6
		132,942	**142,563**

(c) Component of Financial Position

	Remarks	Group 2026 RM'000	Group 2025 RM'000
i) Cash Component			
Islamic Account/ instruments			
Cash at bank (exclude cash in hand)		157	168
Short term deposits		3,228	3,149
		3,385	3,317
Conventional Account/ instruments			
Cash at bank (exclude cash in hand)		92,810	56,570
Short term deposits		176,819	217,194
		269,629	273,764
Total		**273,014**	**277,081**
ii) Debt Component			
Islamic Financing			
Current		–	–
Non-Current		–	–
Total		**–**	**–**
Conventional Borrowing			
Current		21,898	22,976
Non-Current		42,950	49,201
Total		**64,848**	**72,177**

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	Nor Shahniza Binti Shahbudin	Independent Non-Executive Director

The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and 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 account qualifications and is not the Chairman of the Board.

MEETINGS AND ATTENDANCE

The ARMC met five (5) times during the financial year ended 28 February 2026 ("FY2026"). 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
Nor Shahniza Binti Shahbudin *(Appointed on 24/10/2025)*	1/1
Datuk Zawati Binti Abd Rahman *(Resigned on 31/07/2025)*	3/3

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 FY2026 were as follows: -

(i) Financial Performance and Reporting

- Reviewed quarterly financial results of the Group for FY2026 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 IA plan for FY2026 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 FY2026. 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.

(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 FY2026, 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 of the update or report to the Whistleblowing Policy and Procedure; 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.

(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 organisation.

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 FY2026 were as follows: -

- 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 RM407,000.

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 FY2026, 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 5 June 2026.

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, to provide the essential support to the Board. These Board Committees have been delegated with 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 meets on a quarterly basis and as required to review financial reporting, internal and external audit findings, and risk management matters. This ensures that the Board is adequately informed and maintains effective oversight of the Group's operations.

- **Control Activities**

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

- **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 computerised 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. Management and operational meetings are held regularly to develop solutions to mitigate critical risks. These ongoing risk management activities are undertaken across 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.

- **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 are 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 advice in matters in which the Board needs to seek an opinion.

INTERNAL AUDIT FUNCTION

The Internal Audit function provides independent and objective assurance to the Audit and Risk Management Committee ("ARMC"), and by extension the Board, on the adequacy and effectiveness of the Group's systems of internal control and risk management.

The Internal Audit function adopts a risk-based approach in developing its annual audit plan, which is aligned with the Group's risk profile and approved by the ARMC. Audit reviews are conducted across key business units and functional areas, focusing on high-risk operations, financial controls, and compliance with established policies and procedures.

During the financial year, internal audit reviews were carried out on selected business processes, and recommendations for improvements were provided to Management where necessary. Management has undertaken appropriate corrective actions to address the identified control gaps and enhance existing processes.

The Internal Audit function reports its findings, recommendations, and the status of corrective actions to the ARMC on a quarterly basis, thereby facilitating ongoing monitoring and improvement of the Group's internal control systems.

REVIEW OF ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL

The ARMC is responsible for reviewing the audit reports issued by the internal and external auditors, and for assessing Management's responses and actions taken to address any identified control deficiencies or weaknesses.

For the financial year ended 28 February 2026, the Board has received assurance from the Executive Chairman and Group Chief Executive Officer that the Group's risk management and internal control systems are adequate and effective, in all material aspects.

In making its assessment, the Board has considered the overall system of internal control, including the effectiveness of the risk management framework, the reviews performed by Management, and the audits conducted by the internal and external auditors.

Based on the above, the Board, with the concurrence of the ARMC, is of the opinion that the Group's risk management and internal control systems are adequate and effective in all material aspects.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement in accordance with Paragraph 15.23 of the MMLR of Bursa Malaysia Securities Berhad for inclusion in the Annual Report of the Company for the financial year ended 28 February 2026 and have reported that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the Group's internal control systems.

The review was conducted 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 5 June 2026.

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 5 June 2026.

FINANCIAL STATEMENTS

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 2026.

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 net of tax	21,585	156,898
Profit attributable to:		
Owners of the parent	14,838	156,898
Non-controlling interests	6,747	–
	21,585	156,898

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 28 February 2025 were as follows:

	RM'000
In respect of the financial year ended 28 February 2026:	
First interim dividend (single-tier) of 5.0 sen on 253,650,409 ordinary shares, declared on 10 July 2025 and paid on 15 August 2025	12,683
Second interim dividend (single-tier) of 5.0 sen on 253,650,409 ordinary shares, declared on 14 January 2026 and paid on 3 March 2026	12,682
	25,365

The directors do not recommend the payment of any final dividend in respect of the financial year ended 28 February 2026.

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
Tan Thiam Chai
Tuan Haji Mohd Jaffar Bin Awang (Ismail)
Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah
Dato' Dr Abdul Razak Bin Abdul
Nor Shahniza Binti Shahbudin (F) (Appointed on 24 October 2025)
Sebastian Paul Lim Chin Foo ** (Appointed on 10 November 2025)
Datuk Zawati Binti Abd Rahman (F) (Resigned on 31 July 2025)
Lee Sze Siang (Resigned on 10 November 2025)
Dato' Woo Hon Kong (Resigned on 15 May 2026)

** 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:

Jeneral Tan Sri Dato' Sri Abdullah Bin Ahmad @ Dollah Bin Amad (B)
Quek Meng Teck Derrick
Haslin Binti Osman (F)
Chew Soo Lin
Y.A.M. Dato' Seri Sharifah Fazira Bt DYMM Syed Sirajuddin (F)
Lee Sze Siang
Ho Yuet Leng (F)
Datuk Haji Mohd Radzuan Bin Abdullah
Datuk Mamat Bin Samat
Rosly Bin Ahmad
Ahmad Zubir Bin Khalid
Dato' Azhar Bin Mohamed
Khoo Chun Keong
Kong Chia-Hing
Mark Trevor Rudrum
Takashi Terauchi
Shigeru Umemori
Asmui Bin Mohamad Basir
Zulkafly Bin Ahmad
Cai, Yong
Wang, Yong
Lim Kim Huat (Resigned on 30 May 2025)

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 39 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	377	220
Salaries and other emoluments	1,381	–
Defined contribution plan	54	–
Benefits-in-kind	1	–
	1,813	220

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 2025	Acquired	Sold	28 February 2026
The Company				
Deemed interest				
Dato' Sri Adam Sani Bin Abdullah *	135,819,214	–	(8,000,000)	127,819,214

* 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 44 to the financial statements.

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	802	97
Other member firm of Ernst & Young Global	301	–
Other auditors	132	–
	1,235	97

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 5 June 2026.

Dato' Sri Adam Sani Bin Abdullah

Dato' Dr. Abdul Razak Bin Abdul

STATEMENT BY DIRECTORS

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

We, Dato' Sri Adam Sani Bin Abdullah and Dato' Dr. Abdul Razak Bin Abdul, 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 179 to 296 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 2026 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 5 June 2026.

Dato' Sri Adam Sani Bin Abdullah

Dato' Dr. Abdul Razak Bin Abdul

STATUTORY DECLARATION

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

I, Ho Yuet Leng, being the officer primarily responsible for the financial management of Atlan Holdings Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 179 to 296 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 Ho Yuet Leng
at Kuala Lumpur in the Federal Territory
on 5 June 2026

Ho Yuet Leng
Group Chief Financial
and Corporate Services Officer
(MIA 7321)

Before me,

MUNIRAH BINTI BAHRIM
W1011
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 2026 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 179 to 296.

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 2026, 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.

Key audit matters (Cont'd)

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

As at 28 February 2026, the carrying amounts of the Group's PPE and ROUA are RM202.3 million and RM24.9 million, which represent 70% and 9% 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 market approach. During the year ended 28 February 2026, a reversal of impairment loss of RM3,254,000 on PPE and an impairment loss of RM322,000 on ROUA were recognised.

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 2026, the carrying amount of the Company's listed subsidiary Duty Free International Limited ("DFIL") amounted to RM299.0 million, net of accumulated impairment losses of RM388.0 million. During the financial year ended 28 February 2026, a reversal of impairment loss of RM16.1 million was recognised 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.

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.

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

Chuan Yee Yang
No. 03489/03/2028 J
Chartered Accountant

Penang, Malaysia
5 June 2026

INCOME STATEMENTS

for the year ended 28 February 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Revenue	4	410,986	455,115	23,734	41,057
Other income	5	29,276	7,227	132,888	14,651
Compensation received from Compulsory Land Acquisition	5	–	69,610	–	–
Raw materials and consumables used		(205,982)	(242,667)	–	–
Changes in finished goods		(10,253)	(13,714)	–	–
Employee benefits expense	6	(71,628)	(76,435)	(235)	(228)
Depreciation and amortisation		(21,666)	(23,137)	–	–
Rental expenses		(1,318)	(404)	–	–
Legal and professional fees		(5,401)	(4,089)	(908)	(699)
Other expenses	8	(73,088)	(79,870)	(7,847)	(3,465)
		50,926	91,636	147,632	51,316
Waiver of amount due from subsidiaries		–	–	(14)	(2)
Impairment loss on goodwill	16	(972)	(968)	–	–
Reversal of impairment loss/(Impairment loss) on property, plant and equipment	13	3,254	(109)	–	–
Impairment loss on right-of-use assets	15	(322)	(219)	–	–
Reversal of impairment loss/(Impairment loss) on investment in subsidiaries	18	–	–	16,127	(230,047)
(Impairment loss)/Reversal of impairment loss on investment in an associate	19	–	–	(110)	70
Profit/(Loss)		52,886	90,340	163,635	(178,663)
Share of results of an associate		(174)	134	–	–
Finance costs	9	(9,977)	(10,890)	(2,931)	(3,183)
Profit/(Loss) before tax		42,735	79,584	160,704	(181,846)
Income tax expense	10	(21,150)	(12,158)	(3,806)	(147)
Profit/(Loss) net of tax		21,585	67,426	156,898	(181,993)

INCOME STATEMENTS

(CONT'D)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Profit/(Loss) attributable to:					
Owners of the parent		14,838	51,720	156,898	(181,993)
Non-controlling interests		6,747	15,706	–	–
		21,585	67,426	156,898	(181,993)
Earnings per share attributable to owners of the parent (sen per share)					
Basic	11	5.85	20.39		
Diluted	11	5.85	20.39		

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 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Profit/(Loss) for the year		21,585	67,426	156,898	(181,993)
Other comprehensive (loss)/income:					
Item that may be reclassified to profit or loss in subsequent periods					
- Foreign currency translation		(4,298)	(4,981)	–	–
Items that will not be reclassified to profit or loss in subsequent periods					
- Remeasurement loss on defined benefit plans	32	–	(325)	–	–
- Income tax effect	22	–	78	–	–
Total comprehensive income/(loss) for the year		17,287	62,198	156,898	(181,993)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		10,537	46,529	156,898	(181,993)
Non-controlling interests		6,750	15,669	–	–
		17,287	62,198	156,898	(181,993)

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

STATEMENTS OF FINANCIAL POSITION

as at 28 February 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	202,301	194,376	1	1
Investment properties	14	24,706	25,264	–	–
Right-of-use assets	15	24,921	99,516	–	–
Goodwill	16	5,818	6,818	–	–
Intangible assets	17	–	–	–	–
Investment in structured notes	28	12,560	–	–	–
Investment in subsidiaries	18	–	–	457,921	484,478
Investment in an associate	19	327	501	327	437
Other investments	20	255	136	–	–
Development rights	21	18,517	13,500	–	–
Deferred tax assets	22	1,159	7,895	–	–
Other receivables	25	–	–	5,705	3,021
		290,564	348,006	463,954	487,937
Current assets					
Inventories	23	82,662	100,153	–	–
Biological assets	24	209	213	–	–
Trade and other receivables	25	34,515	52,219	13,192	122
Capitalised contract costs	4	479	2,349	–	–
Prepayments	21	2,659	9,236	31	27
Tax recoverable		1,503	6,893	–	20
Derivative assets	27	–	14	–	–
Marketable securities	26	2	2	2	2
Cash and bank balances	29	273,097	277,165	157,077	7,104
		395,126	448,244	170,302	7,275
Total assets		685,690	796,250	634,256	495,212

STATEMENTS OF FINANCIAL POSITION

(CONT'D)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Equity and liabilities					
Current liabilities					
Trade and other payables	30	68,790	81,325	1,041	608
Employee benefits	32	655	702	–	–
Tax payable		1,117	905	59	63
Borrowings	33	21,898	22,976	15,482	16,529
Lease liabilities	34	1,675	7,071	–	–
Derivative liabilities	27	–	1	–	–
Dividends payable		12,682	–	12,682	–
		106,817	112,980	29,264	17,200
Net current assets/ (liabilities)		288,309	335,264	141,038	(9,925)
Non-current liabilities					
Provision for restoration costs	31	–	704	–	–
Employee benefits	32	1,116	1,334	–	–
Deferred tax liabilities	22	11,195	9,223	–	–
Borrowings	33	42,950	49,201	35,886	40,439
Lease liabilities	34	7,070	95,602	–	–
		62,331	156,064	35,886	40,439
Total liabilities		169,148	269,044	65,150	57,639
Net assets		516,542	527,206	569,106	437,573
Equity attributable to owners of the parent					
Share capital	35	356,528	356,528	356,528	356,528
Currency translation reserve		(1,906)	2,395	–	–
Other reserve	36	(75,560)	(74,780)	–	–
Retained earnings	37	119,714	139,834	212,578	81,045
		398,776	423,977	569,106	437,573
Non-controlling interests		117,766	103,229	–	–
Total equity		516,542	527,206	569,106	437,573
Total equity and liabilities		685,690	796,250	634,256	495,212

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 2026

			Attributable to owners of the parent					
				Non-distributable			Distributable	
	Note	Total equity RM'000	Total equity attributable to owners of the parent RM'000	Share capital RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000
2026								
Group								
At 1 March 2025		527,206	423,977	356,528	2,395	(74,780)	139,834	103,229
Profit for the year		21,585	14,838	–	–	–	14,838	6,747
Other comprehensive loss		(4,298)	(4,301)	–	(4,301)	–	–	3
Transactions with owners								
Transfer to retained earnings		–	–	–	–	(780)	780	–
Dividends on ordinary shares	12	(25,365)	(25,365)	–	–	–	(25,365)	–
Dividends paid to non-controlling interests by subsidiaries		(2,586)	–	–	–	–	–	(2,586)
Effects of business combination under common control		–	(10,373)	–	–	–	(10,373)	10,373
Total transactions with owners		(27,951)	(35,738)	–	–	(780)	(34,958)	7,787
At 28 February 2026		516,542	398,776	356,528	(1,906)	(75,560)	119,714	117,766

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

			Attributable to owners of the parent					
				Non-distributable			Distributable	
	Note	Total equity RM'000	Total equity attributable to owners of the parent RM'000	Share capital RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000
2025								
Group								
At 1 March 2024		507,469	409,008	356,528	7,339	(75,560)	120,701	98,461
Profit for the year		67,426	51,720	–	–	–	51,720	15,706
Other comprehensive income		(5,228)	(5,191)	–	(4,944)	–	(247)	(37)
Transactions with owners								
Strike-off of subsidiaries		(1,470)	780	–	–	780	–	(2,250)
Dividends on ordinary shares	12	(32,340)	(32,340)	–	–	–	(32,340)	–
Dividends paid to non-controlling interests by subsidiaries		(8,651)	–	–	–	–	–	(8,651)
Total transactions with owners		(42,461)	(31,560)	–	–	780	(32,340)	(10,901)
At 28 February 2025		527,206	423,977	356,528	2,395	(74,780)	139,834	103,229

STATEMENTS OF CHANGES IN EQUITY

(CONT'D)

	Note	Total equity RM'000	Share capital RM'000	Distributable Retained earnings RM'000
Company				
At 1 March 2025		437,573	356,528	81,045
Total comprehensive income		156,898	–	156,898
Transaction with owners				
Dividends on ordinary shares	12	(25,365)	–	(25,365)
At 28 February 2026		569,106	356,528	212,578
At 1 March 2024		651,906	356,528	295,378
Total comprehensive loss		(181,993)	–	(181,993)
Transaction with owners				
Dividends on ordinary shares	12	(32,340)	–	(32,340)
At 28 February 2025		437,573	356,528	81,045

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 2026

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Operating activities					
Profit/(Loss) before tax		42,735	79,584	160,704	(181,846)
Adjustments for:					
Amortisation of intangible assets		–	178	–	–
Depreciation of:					
- property, plant and equipment		12,479	11,674	–	–
- investment properties		781	1,892	–	–
- right-of-use assets		8,405	9,392	–	–
- other investments		1	1	–	–
Deposits forfeited		–	(15)	–	–
Dividend income		–	–	(21,332)	(40,300)
Changes in fair value of biological assets		4	(43)	–	–
Compensation received from Compulsory Land Acquisition	5	–	(69,610)	–	–
Gain on disposal of property, plant and equipment		(425)	(70)	–	–
Gain on disposal of a subsidiary		–	–	(132,316)	–
Waiver of amount due from subsidiaries		–	–	14	2
Bad debts written off		4	54	–	–
Reversal of impairment loss on receivables					
- third parties		(10)	(73)	–	–
- subsidiaries		–	–	(568)	(14,647)
Impairment loss on receivables:					
- third parties		120	16	–	–
- subsidiaries		–	–	23	1,357
(Reversal of impairment loss)/Impairment loss on property, plant and equipment		(3,254)	109	–	–
Impairment loss on right-of-use assets		322	219	–	–
Impairment loss on goodwill		972	968	–	–
Interest expense		9,977	10,890	2,931	3,183
Interest income		(8,347)	(8,987)	(2,402)	(757)
Inventories written back		(675)	(1,165)	–	–
Inventories written down		102	942	–	–

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Operating activities (Cont'd)					
Gain arising from termination/modification of lease		(23,293)	(790)	–	–
Loss on lease termination		–	1,876	–	–
Loss on forward foreign exchange contracts		13	8	–	–
Property, plant and equipment written off		195	1,757	–	–
(Reversal of impairment loss)/Impairment loss on investment in subsidiaries		–	–	(16,127)	230,047
Impairment loss/(Reversal of impairment loss) on investment in an associate		–	–	110	(70)
Reversal of short term accumulating compensated absences		(12)	(33)	–	–
Reversal of provision for restoration cost		(545)	–	–	–
Share of results of an associate		174	(134)	–	–
Net unrealised loss on foreign exchange		1,856	372	121	71
Operating cash flows before changes in working capital		41,579	39,012	(8,842)	(2,960)
Changes in working capital:					
Decrease in inventories		18,064	25,899	–	–
Decrease/(Increase) in receivables and capitalised contract cost		95,968	19,064	(12,948)	(1)
(Decrease)/Increase in payables		(82,753)	(25,661)	433	245
Cash generated from/(used in) operations		72,858	58,314	(21,357)	(2,716)
Tax paid		(6,840)	(10,940)	(3,790)	(109)
Employee benefits paid		(265)	(141)	–	–
Net cash flows generated from/(used in) operating activities		65,753	47,233	(25,147)	(2,825)

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Investing activities					
Increase in placements of deposits of more than 3 months		(144,422)	(1,015)	(143,398)	–
Acquisition of:					
- investment properties		(223)	(56)	–	–
- property, plant and equipment		(19,507)	(11,923)	–	–
Acquisition of development rights		(5,017)	(9,500)	–	–
Purchase of other investment		(120)	–	–	–
Investment in structured notes		(12,560)	–	–	–
(Advances to)/Repayment from subsidiaries		–	–	(2,279)	353
Compensation received from Compulsory Land Acquisition	5	–	69,610	–	–
Proceeds received from disposal of a subsidiary		–	–	175,000	–
Dividends received		–	–	21,332	40,300
Interest received		8,347	8,987	2,402	757
Proceeds from disposal of property, plant and equipment		545	85	–	–
Net cash flows (used in)/ generated from investing activities		(172,957)	56,188	53,057	41,410

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Financing activities					
Increase in pledged deposits		(181)	(1,268)	(30)	(1,075)
Dividends paid to:					
- ordinary shareholders of the Company		(12,683)	(32,340)	(12,683)	(32,340)
- non-controlling interests of subsidiaries		(2,586)	(8,651)	–	–
Payment of leases		(6,708)	(5,292)	–	–
Interest paid		(9,855)	(10,772)	(2,931)	(3,183)
Repayment of borrowings		(7,329)	(8,400)	(5,600)	(8,018)
Repayment of hire purchase liabilities		(198)	–	–	–
Net cash flows used in financing activities		(39,540)	(66,723)	(21,244)	(44,616)
Net (decrease)/increase in cash and cash equivalents		(146,744)	36,698	6,666	(6,031)
Effects of foreign exchange rate changes		(1,927)	(409)	(121)	(71)
Cash and cash equivalents at beginning of financial year		264,631	228,342	6,029	12,131
Cash and cash equivalents at end of financial year	29	115,960	264,631	12,574	6,029

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 March 2025 RM'000	Cash flows RM'000	Non-cash changes/ Others RM'000	Carrying amount as at 28 February 2026 RM'000
Group				
Term loans	57,428	(7,298)	–	50,130
Bankers' acceptance	4,749	(3,589)	–	1,160
Revolving credits	10,000	3,558	–	13,558
Dividends payable	–	(12,683)	25,365	12,682
Lease liabilities				
- Hire purchase liabilities	–	(198)	2,017	1,819
- Other lease liabilities	102,673	(6,708)	(89,039)	6,926
Total liabilities from financing activities	174,850	(26,918)	(61,657)	86,275
Company				
Term loans	46,968	(5,600)	–	41,368
Revolving credits	10,000	–	–	10,000
Dividends payable	–	(12,683)	25,365	12,682
Total liabilities from financing activities	56,968	(18,283)	25,365	64,050

	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
Group				
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
Total liabilities from financing activities	187,543	(46,032)	33,339	174,850
Company				
Term loans	4,986	41,982	–	46,968
Revolving credits	60,000	(50,000)	–	10,000
Dividends payable	–	(32,340)	32,340	–
Total liabilities from financing activities	64,986	(40,358)	32,340	56,968

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

NOTES TO THE FINANCIAL STATEMENTS
– 28 February 2026

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 5 June 2026.

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 2025, 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 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025

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.

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 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 121 The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency	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

Except as described below, the directors expect that the adoption of the new and amendments to the standards above will have no material impact on the financial statements in the year of initial application.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements.

MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, where of the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

MFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Earlier application is permitted and must be disclosed.

The Group and the Company are currently assessing the impacts the standards will have on the financial statements and notes to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.4 Basis of consolidation (Cont'd)

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.

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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and 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.

2.6 Foreign currency

The Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.6 Foreign currency (Cont'd)

(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.

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	20%
Office equipment, furniture and fittings	10% - 33.3%
Plant and machinery	10% - 33.3%
Solar project	5%
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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Property, plant and equipment (Cont'd)

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.

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 43.25 years
Leasehold land and buildings	over 75 years

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.

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.

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.

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 of 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.

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 of 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.

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.

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.

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:

<u>Financial liabilities at fair value through profit or loss</u>

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.

<u>Loans and borrowings</u>

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.

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.

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.

Remeasurements, 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. Remeasurements 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.

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 43.25 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.

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.

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.

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.

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.

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 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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 40.

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.

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.28 Fair value measurement (Cont'd)

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.

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:

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 RM22,585,000 as at 28 February 2026 (2025: RM23,104,000) is being substantially let out to earn rental income. Accordingly, this property is classified as investment property.

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 2026 and related assumptions are disclosed in their respective notes.

Non-financial assets	**Note**
Property, plant and equipment	13
Right-of-use assets	15
Goodwill	16
Investment in subsidiaries	18

4. REVENUE

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue recognised at a point of time				
Sales of goods	361,444	403,507	–	–
Sale of oil palm fresh fruit bunches	2,401	1,929	–	–
Sale of properties	4,087	8,192	–	–
Gross dividends:				
- subsidiaries	–	–	21,332	40,300
Revenue recognised over time				
Rental, parking and related services	6,755	6,927	–	–
Rental of hotel rooms and related services	28,371	27,328	–	–
Interest income:				
- subsidiaries	–	–	366	598
- others	7,928	7,232	2,036	159
Revenue from contracts with customers	410,986	455,115	23,734	41,057

Contracts balances

Information about receivables and contract liabilities and balances arising from contracts with customers is disclosed as follows:

	Note	Group	
		2026 RM'000	2025 RM'000
Trade receivables	25	15,482	23,321
Capitalised contract costs		479	2,349

Capitalised contract costs consist mainly of costs incurred for sales which have not yet been recognised as revenue.

5. OTHER INCOME
COMPENSATION RECEIVED FROM COMPULSORY LAND ACQUISITION

Included in other income are the following:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Gain arising from changes in fair value of biological assets	–	43	–	–
Gain on disposal of a subsidiary	–	–	132,316	–
Gain on disposal of property, plant and equipment	425	70	–	–
Gain on foreign exchange:				
- realised	1,772	938	–	–
- unrealised	106	42	–	–
Gain arising from termination/ modification of lease *	23,293	790	–	–
Deposits forfeited	–	15	–	–
Reversal of impairment loss on receivables:				
- third parties	10	73	–	–
- subsidiary	–	–	568	14,647
Reversal of provision for restoration cost of properties	545	–	–	–
Inventories written back **	675	1,165	–	–
Interest income from a third party	419	1,755	–	–
Rental income from property, plant and equipment	530	598	–	–
Miscellaneous income	1,501	1,738	4	4
	29,276	7,227	132,888	14,651
Compensation received from Compulsory Land Acquisition ^	–	69,610	–	–

* This is primarily attributable to the derecognition of a lease following the termination of the lease arrangement at Johor Bahru Zon with Berjaya Waterfront Sdn. Bhd., consequent to the cessation of business operations due to the non-renewal of the business licences during the financial year (Note 44(c)).

** The write back of inventories was made when the related inventories were sold above their carrying amounts.

^ This compensation relates to the payment received from the Ministry of Home Affairs of Malaysia (or Kementerian Dalam Negeri ("KDN")) for the compulsory acquisition of two lands namely Lot 1683 and Lot 61677, located at Bukit Kayu Hitam, Kubang Pasu District, Kedah, owned by the Group's subsidiaries, Cergasjaya Sdn. Bhd. ("Cergasjaya") and Cergasjaya Properties Sdn. Bhd. ("Cergasjaya Properties") ("Compulsory Land Acquisition").

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Wages and salaries	58,044	62,281	220	215
Social security contribution	1,710	1,374	–	–
Contribution to defined contribution plan	4,148	4,564	–	–
Reversal of short term accumulating compensated absences	(12)	(33)	–	–
Termination benefits *	2,342	3,883	–	–
Other benefits	5,396	4,366	15	13
	71,628	76,435	235	228

* This relates to compensation paid to employees and workers arising from the termination of employment following the cessation of the duty free operations at the Johor Bahru and Langkawi outlets during the financial year, and the Bukit Kayu Hitam outlet in the previous financial year as a result of the Compulsory Land Acquisition.

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM1,435,000 (2025: RM2,902,000).

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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Executive:				
Salaries and other emoluments	1,381	2,807	–	–
Defined contribution plan	54	95	–	–
	1,435	2,902	–	–
Benefits-in-kind	1	25	–	–
Total executive directors' remuneration	1,436	2,927	–	–
Non-executive:				
Fees	377	461	220	215
Total non-executive directors' remuneration	377	461	220	215
Total directors' remuneration	1,813	3,388	220	215
Total directors' remuneration (excluding fees and benefits-in-kind)	1,435	2,902	–	–

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	
	2026	2025
Executive directors:		
RM400,001 to RM450,000	1	–
RM900,001 to RM950,000	–	1
RM1,100,001 to RM1,150,000	1	–
RM2,100,001 to RM2,150,000	–	1
Non-executive directors:		
Below RM50,000	9	7
	11	9

The total number of directors as at 28 February 2026 was 9 (28 February 2025: 9).

8. OTHER EXPENSES

Included in other expenses are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Auditors' remuneration:				
Ernst & Young PLT				
- statutory audit	802	837	97	92
- non-audit services	48	43	48	43
Member firm of Ernst & Young Global				
- statutory audit	301	256	–	–
- non-audit services	15	13	–	–
Other auditors				
- statutory audit	132	131	–	–
Bad debts written off	4	54	–	–
Interest on arrears for the payment of development rights	–	1,960	–	–
Impairment loss on receivables:				
- third parties	120	16	–	–
- subsidiaries	–	–	23	1,357
Inventories written down	102	942	–	–
Loss on foreign exchange:				
- realised	21	6,303	–	197
- unrealised	1,962	414	121	71
Loss arising from changes in fair value of biological assets	4	–	–	–
Management fee charged by a subsidiary	–	–	6,400	1,450
Loss on forward foreign exchange contracts	13	8	–	–
Loss on lease termination	–	1,876	–	–
Property, plant and equipment written off	195	1,757	–	–

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. FINANCE COSTS

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest expense on:				
- bankers' acceptance	286	296	–	–
- bank overdrafts	30	7	–	–
- hire purchase liabilities	113	–	–	–
- term loans	2,868	1,408	2,410	938
- revolving credits	521	2,245	521	2,245
- other lease liabilities	6,159	6,934	–	–
	9,977	10,890	2,931	3,183

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 28 February 2026 and 28 February 2025 are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current income tax				
- Malaysian income tax	9,457	11,190	310	167
- (Over)/Under provision in respect of previous financial years	(515)	12	(4)	(20)
- Capital gains tax	3,500	–	3,500	–
	12,442	11,202	3,806	147
Deferred income tax (Note 22):				
- Origination and reversal of temporary differences	7,623	920	–	–
- Under provision in respect of previous financial years	1,085	36	–	–
	8,708	956	–	–
Income tax expense recognised in profit or loss	21,150	12,158	3,806	147

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% (2025: 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 2026 and 28 February 2025 are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit/(Loss) before tax	42,735	79,584	160,704	(181,846)
Taxation at Malaysian statutory tax rate of 24%	10,256	19,100	38,569	(43,643)
Effect of different tax rates in other country	301	352	–	–
Effect of tax relief	(7)	(90)	–	–
Effect of expenses not deductible for tax purposes	11,860	4,068	2,618	53,499
Effect of income not subject to tax	(6,545)	(12,323)	(40,877)	(9,689)
Utilisation of previously unabsorbed tax losses	(4)	–	–	–
Utilisation of deferred tax assets previously not recognised	(39)	(275)	–	–
Capital gains tax	3,500	–	3,500	–
Deferred tax assets not recognised	1,258	1,278	–	–
Under provision of deferred tax in previous financial years	1,085	36	–	–
(Over)/Under provision of income tax in previous financial years	(515)	12	(4)	(20)
Income tax expense recognised in profit or loss	21,150	12,158	3,806	147

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.

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 2026 and 28 February 2025:

	Group	
	2026 RM'000	2025 RM'000
Profit net of tax attributable to owners of the parent	14,838	51,720

	Group	
	2026 Number of shares '000	2025 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	
	2026 RM'000	2025 RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
In respect of the financial year ended 28 February 2026:		
- First interim single-tier dividend of 5.0 sen	12,683	–
- Second interim single-tier dividend of 5.0 sen	12,682	–
In respect of the financial year ended 28 February 2025:		
- First interim single-tier dividend of 1.0 sen	–	2,536
- Second interim single-tier dividend of 3.75 sen	–	9,512
- Third interim single-tier dividend of 8.0 sen	–	20,292
	25,365	32,340

The directors do not recommend the payment of any final dividend in respect of the financial year ended 28 February 2026.

13. PROPERTY, PLANT AND EQUIPMENT

	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	Solar project RM'000	Other assets RM'000	Total RM'000
Group										
At 28 February 2026										
Cost										
At 1 March 2025	204,076	44,648	7,161	11,333	48,920	103,817	2,825	–	2,398	425,178
Additions	1,879	–	9,734	1,312	1,965	4,165	–	2,469	–	21,524
Disposals	(96)	–	–	(1,795)	(10,200)	(2,277)	–	–	–	(14,368)
Write-offs	(16,445)	–	–	(106)	(4,196)	(572)	–	–	(178)	(21,497)
Reclassification	82	–	(6,958)	–	(255)	6,958	–	173	–	–
Exchange difference	(4,202)	–	–	(4)	(113)	–	–	–	–	(4,319)
At 28 February 2026	185,294	44,648	9,937	10,740	36,121	112,091	2,825	2,642	2,220	406,518

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	Solar project RM'000	Other assets RM'000	Total RM'000
Accumulated depreciation and impairment losses										
At 1 March 2025	72,620	20,240	–	9,549	43,228	82,807	1,535	–	823	230,802
Depreciation charge for the financial year	3,745	766	–	716	1,531	5,473	113	83	52	12,479
Disposals	(100)	–	–	(1,795)	(10,168)	(2,185)	–	–	–	(14,248)
Write-offs	(16,358)	–	–	(106)	(4,117)	(543)	–	–	(178)	(21,302)
Reversal of impairment loss	(3,254)	–	–	–	–	–	–	–	–	(3,254)
Exchange difference	(213)	–	–	(10)	(31)	-	-	(6)	–	(260)
Reclassification	4	–	–	–	(5)	1	–	–	–	–
At 28 February 2026	56,444	21,006	–	8,354	30,438	85,553	1,648	77	697	204,217
Analysed as:										
Accumulated depreciation	53,384	21,006	–	8,354	29,164	85,428	1,648	77	690	199,751
Accumulated impairment losses	3,060	–	–	–	1,274	125	–	–	7	4,466
	56,444	21,006	–	8,354	30,438	85,553	1,648	77	697	204,217
Net carrying amount	128,850	23,642	9,937	2,386	5,683	26,538	1,177	2,565	1,523	202,301

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
Group									
At 28 February 2025									
Cost									
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

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
Accumulated depreciation and impairment losses									
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
Net carrying amount	131,456	24,408	7,161	1,784	5,692	21,010	1,290	1,575	194,376

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

*** Land and buildings**

	Buildings RM'000	Freehold land RM'000	Total RM'000
Group			
At 28 February 2026			
Cost			
At 1 March 2025	177,964	26,112	204,076
Additions	1,879	–	1,879
Disposals	(96)	–	(96)
Write-offs	(16,445)	–	(16,445)
Reclassification	82	–	82
Exchange difference	(3,365)	(837)	(4,202)
At 28 February 2026	160,019	25,275	185,294
Accumulated depreciation and impairment losses			
At 1 March 2025	72,620	–	72,620
Depreciation charge for the financial year	3,745	–	3,745
Disposals	(100)	–	(100)
Reversal of impairment loss	(3,254)	–	(3,254)
Write-offs	(16,358)	–	(16,358)
Reclassification	4	–	4
Exchange difference	(213)	–	(213)
At 28 February 2026	56,444	–	56,444
Analysed as:			
Accumulated depreciation	53,384	–	53,384
Accumulated impairment losses	3,060	–	3,060
	56,444	–	56,444
Net carrying amount	103,575	25,275	128,850

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

*** Land and buildings (Cont'd)**

	Buildings RM'000	Freehold land RM'000	Total RM'000
Group			
At 28 February 2025			
Cost			
At 1 March 2024	192,888	27,021	219,909
Additions	1,342	–	1,342
Write-offs	(12,622)	–	(12,622)
Exchange difference	(3,644)	(909)	(4,553)
At 28 February 2025	177,964	26,112	204,076
Accumulated depreciation and impairment losses			
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
Net carrying amount	105,344	26,112	131,456

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, furniture and fittings RM'000
Company	
At 28 February 2026	
Cost	
At 1 March 2025/28 February 2026	73
Accumulated depreciation	
At 1 March 2025/28 February 2026	72
Net carrying amount	1
At 28 February 2025	
Cost	
At 1 March 2024/28 February 2025	73
Accumulated depreciation	
At 1 March 2024/28 February 2025	72
Net carrying amount	1

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM21,524,000 (2025: RM11,923,000).

	Group	
	2026 RM'000	2025 RM'000
Cash payment	19,507	11,923
Hire purchase	2,017	–
	21,524	11,923

(b) Included in additions to the Group's plant and machinery during the year are capitalised staff costs amounting to RM168,000 (2025: RM156,000).

(c) During the current financial year, the Group's duty free business operations were adversely affected by the cessation of operations at the integrated commercial duty free complex in Johor Bahru Zon following the non-renewal of business licences by the local authority (Note 44(c)) as well as the closure of the Langkawi outlet at the request of the landlord to facilitate major refurbishment works. Consequently, the tenancy agreements at both locations were terminated resulting in a gain on termination of leases of RM23,293,000 and property, plant and equipment written off of RM195,000.

During the previous financial year, the Group's business operations were impacted by the closure of its long-established duty free complex and car park operations at Bukit Kayu Hitam. This closure was necessitated by the compulsory acquisition of land at Bukit Kayu Hitam, Kubang Pasu District, Kedah, by the Malaysian Government for a road construction project to connect the Bukit Kayu Hitam ICQS Complex in Kedah with the CIQ Sadao facility in Thailand ("Compulsory Land Acquisition").

The Compulsory Land Acquisition has resulted in the closure of its duty free operations in Bukit Kayu Hitam, leading to a reduction in both the Group's earnings and cash flows. In view of this, the land use rights and other associated assets resulted in property, plant and equipment written off of RM906,000 and loss on lease termination of RM1,876,000 during the previous financial year.

(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).

For the financial year ended 28 February 2026, management recognised a reversal of impairment loss on property, plant and equipment of RM3,254,000 (2025: an impairment loss of RM109,000) and an impairment loss on right-of-use assets of RM322,000 (2025: RM219,000) (Note 15). The reversal of impairment relates to a hotel operated by a subsidiary, which is currently under refurbishment. The recoverable amount was determined based on the market approach.

For the financial year ended 28 February 2025, the CGUs' recoverable amounts of the property, plant and equipment and right-of-use assets (Note 15) had been determined based on value-in-use calculations using probability-weighted cash flow projections approved by management. The pre-tax discount rate applied to cash flow projections was 11.5% to 19.2%.

14. INVESTMENT PROPERTIES

	Group 2026 RM'000	Group 2025 RM'000
Cost		
At beginning of the financial year	113,957	113,901
Additions	223	56
At end of the financial year	114,180	113,957
Accumulated depreciation and impairment losses		
At beginning of the financial year	88,693	86,801
Depreciation charge for the financial year	781	1,892
At end of the financial year	89,474	88,693
Analysed as:		
Accumulated depreciation	66,474	65,693
Accumulated impairment losses	23,000	23,000
	89,474	88,693
Net carrying amount	24,706	25,264

	Group 2026 RM'000	Group 2025 RM'000
Fair values	67,600	68,000
Direct operating expenses arising from income generating investment properties included in income statements	3,956	3,845

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 RM22,585,000 (2025: RM23,104,000) 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 RM2,121,000 (2025: RM2,160,000) are pledged as securities for borrowings (Note 33).

A quantitative sensitivity analysis of the potential changes in the key assumptions as at 28 February 2026 and 28 February 2025 is shown below:

Description	Fair value RM'000	Valuation technique	Unobservable inputs	Range	Sensitivity of the input to fair value
Buildings	65,400 (2025: 65,900)	Investment method/ Market comparable method	Yield adjustments based on valuer's assumptions *	7.75% to 8.25% (2025: 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 RM1.4 million (2025: RM1.9 million).
Leasehold land and building	2,200 (2025: 2,100)	Market comparable method/ Depreciated replacement method	Recent comparable transactions adjusted based on management's assumption **	RM28 to RM40 per square feet (2025: RM25 to RM27 per square feet)	The estimated fair value would increase/ (decrease) if the price per square foot is higher/(lower).

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

** The adjustments are made for any difference in the nature, location or condition of the specific property.

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 RM5,854,000 (2025: RM5,340,000).

Future minimum rentals receivable under non-cancellable operating lease are as follows:

	Land use rights RM'000	Building RM'000	Advertisement space RM'000	Total RM'000
At 28 February 2026				
Within one year	66	8,169	–	8,235
After one year but not more than 5 years	132	9,553	–	9,685
	198	17,722	–	17,920
At 28 February 2025				
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

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 43.25 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.

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 2025	14,387	9,193	75,932	4	99,516
Additions	–	–	2,117	–	2,117
Lease termination	–	–	(67,984)	(1)	(67,985)
Depreciation expense	(348)	(648)	(7,406)	(3)	(8,405)
Impairment loss	–	–	(322)	–	(322)
At 28 February 2026	14,039	8,545	2,337	–	24,921
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

Included in right-of-use assets is a non-cancellable lease expiring in 2038 for a piece of property leased by a subsidiary, Atlan KLCC Properties Sdn. Bhd. ("Atlan KLCC") (formerly known as Naluri Properties Sdn. Bhd.). Atlan KLCC 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.

16. GOODWILL

	Group 2026 RM'000	Group 2025 RM'000
Cost		
At beginning of the financial year	29,376	29,634
Exchange difference	(28)	(258)
At end of the financial year	29,348	29,376
Accumulated impairment loss		
At beginning of the financial year	(22,558)	(21,590)
Impairment loss	(972)	(968)
At end of the financial year	(23,530)	(22,558)
Net carrying amount at end of the financial year	5,818	6,818

(a) Allocation of goodwill

Goodwill has been allocated to the Group's cash-generating unit ("CGU") identified according to business segments as follows:

	Group 2026 RM'000	Group 2025 RM'000
Trading of duty free goods, dutiable and non-dutiable merchandise	5,818	5,818
Provision of hospitality related services	–	1,000

(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 2026, Management recognised an impairment loss of RM972,000 on goodwill (2025: RM968,000) 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.

16. GOODWILL (CONT'D)

(b) Key assumptions used in value-in-use calculations (Cont'd)

(i) Revenue growth rates

The revenue projection for the first year was determined based on financial budget prepared. Revenue growth rates for FY2027 to FY2031 range between 3% to 5% (2025: Revenue growth rates for FY2026 to FY2030 range between 2% to 7%).

(ii) Budgeted gross margin

The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment was 22% (2025: 19%) which was based on average gross margin achieved in past years.

(iii) 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 did not exceed the long-term average growth rate for the industries relevant to the CGUs. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period was 2.2% (2025: 2.2%).

(v) Pre-tax discount rate

The pre-tax discount rate applied to the cash flow projections was 14.3% (2025: 14.2%).

(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.

17. INTANGIBLE ASSETS

	Contracts on hand 2026 RM'000	2025 RM'000
Group		
Cost		
At beginning and end of the financial year	356	356
Accumulated amortisation		
At beginning of the financial year	356	178
Amortisation	–	178
At end of the financial year	356	356
Net carrying amount	–	–

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 a business combination. The useful lives of the contracts on hand are estimated based on the current contract duration. The amortisation of contracts on hand was included in profit or loss.

18. INVESTMENT IN SUBSIDIARIES

	Company 2026 RM'000	Company 2025 RM'000
Quoted equity instruments, at cost outside Malaysia	686,963	686,963
Unquoted shares, at cost	350,976	393,660
	1,037,939	1,080,623
Less: Accumulated impairment losses	(580,018)	(596,145)
	457,921	484,478

Movement in accumulated impairment losses is as follows:

	Company 2026 RM'000	Company 2025 RM'000
At beginning of the financial year	596,145	375,969
(Reversal of impairment loss)/Impairment loss	(16,127)	230,047
Derecognised	–	(9,871)
At end of the financial year	580,018	596,145

In the previous 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 in the previous financial 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.

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 2026, are as follows:

Name of Company	Proportion of ownership interest in ordinary shares 2026 %	2025 %	Principal activities
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
Atlan KLCC Properties Sdn. Bhd. (formerly known as "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	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
Belle Isle Hotels (Cornwall) Management Limited (Incorporated in the 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 2026, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares 2026 %	2025 %	Principal activities
Held through DFIL			
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
United Industries Holdings Sdn. Bhd. ("UIH")	76	–	Investment holding
Held through DFZ			
DFZ Trading Sdn. Bhd.	76	76	Investment holding and management services
Selasih Ekslusif Sdn. Bhd.	76	76	Retailer of duty free and non-dutiable merchandise
Winner Prompt Sdn. Bhd.	76	76	Licenced 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

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 2026, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares 2026 %	2025 %	Principal activities
Held through Darul Metro Sdn. Bhd.			
Binamold Sdn. Bhd.	76	76	Property investment
Cergasjaya Sdn. Bhd.	76	–	Wholesaler and retailer of duty free and non-dutiable merchandise
Held through Orchard Boulevard Sdn. Bhd.			
Gold Vale Development Sdn. Bhd.	76	76	Dormant
Kelana Megah Sdn. Bhd.	76	76	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
Held through DFZ Trading Sdn. Bhd.			
Cergasjaya Sdn. Bhd.	–	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

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 2026, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares 2026 %	2025 %	Principal activities
Held through DFZ Trading Sdn. Bhd. (Cont'd)			
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
Held through DFZ Asia Sdn. Bhd.			
PT DFZ Indon (Incorporated in Indonesia) #	1	1	Dormant

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 2026, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares 2026 %	2025 %	Principal activities
Held through UIH			
United Industries Sdn. Bhd.	76	100	Manufacturing and marketing of exhaust systems and other automotive component parts
United Sanoh Industries Sdn. Bhd.	53	70	Manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings
UVI Advance Technology Sdn. Bhd. ("UVIAT")	76	100	Dormant
Held through UIH and United Industries Sdn. Bhd.			
United Vehicles Industries Sdn. Bhd.	76	100	Manufacturing and marketing of fuel tanks, other automotive component parts and wheelbarrows
Held through UVIAT			
United Daisheng Technology Industries Sdn. Bhd.	38	–	Dormant

+ 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.
* Application of striking off has been submitted on 3 December 2025.
** Application of striking of has been submitted on 17 December 2025.

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	
	2026 %	2025 %	2026 %	2025 %
Equity interest held by non-controlling interests	24	24	47	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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-current assets	189,276	172,946	*	16,180
Current assets	206,990	331,737	*	42,714
Total assets	396,266	504,683	*	58,894
Current liabilities	66,625	30,014	*	20,495
Non-current liabilities	23,517	100,087	*	2,609
Total liabilities	90,142	130,101	*	23,104
Net assets	306,124	374,582	*	35,790
Equity attributable to owners of the company	230,794	282,805	*	25,053
Non-controlling interests	75,330	91,777	*	10,737
	306,124	374,582	*	35,790

* The summarised statement of financial position of USISB have been included in the summarised financial information of DFIL Group following the completion of the disposal of USISB to DFIL Group.

18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests (Cont'd)

(ii) Summarised statements of comprehensive income

	DFIL Group		USISB	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	212,602	155,100	57,913	96,468
Profit for the financial year	22,227	53,673	3,363	8,545
Profit attributable to:				
Owners of the company	16,484	40,493	2,354	5,981
Non-controlling interests	5,743	13,180	1,009	2,564
	22,227	53,673	3,363	8,545
Item that may be reclassified to profit or loss in subsequent periods				
- Foreign currency translation	12	(147)	–	–
Items that will not be reclassified to profit or loss in subsequent periods				
- Remeasurement loss on defined benefit plans	–	–	–	(166)
- Income tax effect	–	–	–	40
Total comprehensive income	22,239	53,526	3,363	8,419
Total comprehensive income attributable to:				
Owners of the company	16,493	40,382	2,354	5,893
Non-controlling interests	5,746	13,144	1,009	2,526
	22,239	53,526	3,363	8,419
Dividends paid to non-controlling interests	1,596	6,302	990	2,349

18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests (Cont'd)

(iii) Summarised statements of cash flows

	DFIL Group		USISB	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net cash generated from/(used in):				
- Operating activities	53,481	8,593	7,298	7,980
- Investing activities	(159,703)	67,152	(3,878)	(4,401)
- Financing activities	(18,339)	(30,308)	(5,007)	(7,852)
Net (decrease)/increase in cash and cash equivalents	(124,561)	45,437	(1,587)	(4,273)
Effects of foreign exchange rate changes	(1,805)	(335)	–	–
Cash and cash equivalents at beginning of the financial year	222,913	177,811	16,190	20,463
Cash and cash equivalents at end of the financial year	96,547	222,913	14,603	16,190

The summarised statement of comprehensive income and cash flows of USISB reflect the 8-month period from 1 March 2025 to 31 October 2025. Following the completion of the disposal of USISB to DFIL Group, the summarised financial information of DFIL Group for the current year includes the effects of the consolidation of USISB from 1 November 2025 to 28 February 2026.

The summarised financial information of Immugen Sdn. Bhd. ("ISB") and United Daisheng Technology Industries Sdn Bhd ("UDTI") are not included as ISB and UDTI are dormant companies and their financial information are not material to the Group.

18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) 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. Following the completion of the acquisition of the UI Group by DFIL during the financial year, the value-in-use for the investment in DFIL includes the cash flow projections for the manufacturing and sale of automotive component parts, in addition to the existing revenue from the duty free trading and retailing operations. Based on the assessment, a reversal of impairment loss of RM16,127,000 (2025: impairment loss of RM217,047,000) was recognised for the financial year 28 February 2026.

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% (2025: 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") 2027 is 48.3% and ranged between 4.9% to 7.8% for FY2028 to FY2031, mainly driven by the expected growth from the automotive component parts manufacturing segment. (2025: FY2026 ranged between -9% to -10% mainly due to the effects of the expected decline in the duty free trading and retailing operations, and 5% to 11% for FY2027 to FY2030).

(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 2.0% (2025: 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 (2025: 12.1% to 12.2%).

(d) During the financial year, the Group's subsidiary, UVI Advance Technology Sdn. Bhd., subscribed for 500 ordinary shares of RM1 each in United Daisheng Technology Sdn. Bhd. at an issue price of RM1 per share amounting to RM500.

(e) On 21 July 2025, the Company entered into a conditional Share Sale and Purchase Agreement ("SSPA") with Duty Free International Limited, a subsidiary of the Company, for the disposal of its entire equity holdings in United Industries Holdings Sdn. Bhd. for a total cash consideration of RM175 million. The disposal was completed on 31 October 2025.

19. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unquoted shares in Malaysia, at cost	437	437	437	437
Less: Accumulated impairment loss	–	–	(110)	–
	437	437	327	437
Shares of post acquisition results	(110)	64	–	–
	327	501	327	437
Represented by:				
Share of net assets of an associate	327	501	327	437

The particulars of the associate, which is incorporated in Malaysia, are as follows:

Name of Company	Proportion of ownership interest 2026 %	2025 %	Principal activities
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 2026.

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 2026 or 28 February 2025.

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.

19. INVESTMENT IN AN ASSOCIATE (CONT'D)

(a) Summarised statement of financial position

	Group	
	2026 RM'000	2025 RM'000
Non-current assets	490	389
Current assets	2,563	3,701
Total assets	3,053	4,090
Current liabilities, representing total liabilities	1,744	2,086
Net assets	1,309	2,004

(b) Summarised statement of comprehensive income

	Group	
	2026 RM'000	2025 RM'000
Revenue	2,754	8,226
(Loss)/Profit net of tax, representing total comprehensive income	(695)	535

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associate

	Group	
	2026 RM'000	2025 RM'000
Net assets at beginning of the financial year	2,004	1,469
(Loss)/Profit net of tax	(695)	535
Net assets at end of the financial year	1,309	2,004
Interest in the associate	25%	25%
Carrying value of Group's interest in the associate	327	501

20. OTHER INVESTMENTS

	Group 2026 RM'000	Group 2025 RM'000
Unquoted shares at cost		
- in Malaysia	24	24
Corporate golf club and vacation club memberships at cost	243	123
Less: Accumulated amortisation	(12)	(11)
	231	112
	255	136

21. DEVELOPMENT RIGHTS

	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Non-current				
Development rights *	13,500	13,500	–	–
Incidental costs ^	5,017	–	–	–
	18,517	13,500	–	–
Current				
Prepaid other operating expenses, representing total prepayments	2,659	9,236	31	27
Amount to be charged out to profit or loss:				
- Not later than 1 year	2,659	9,236	31	27

* Related to development return paid to the State Government of Johor and City Council of Johor. Following the full payment of RM13,500,000, the Group has fulfilled its payment obligations pursuant to the agreement entered into with the State Government of Johor and the City Council of Johor. Accordingly, the balance was recognised as development rights in the statement of financial position.

^ During the current financial year, the land title registration was completed and legal ownership was officially transferred to the Group. In relation to the title transfer, incidental costs amounting to RM5,017,000 comprising stamp duties and professional fees which were previously recorded as prepayments have been reclassified and capitalised as part of the land cost under development rights.

22. DEFERRED TAX

	Group	
	2026 RM'000	2025 RM'000
At beginning of the financial year	1,328	450
Recognised in profit or loss (Note 10)	8,708	956
Recognised in equity	–	(78)
At end of the financial year	10,036	1,328

Presented after appropriate offsetting as follows:

	2026 RM'000	2025 RM'000
Deferred tax assets	(1,159)	(7,895)
Deferred tax liabilities	11,195	9,223
	10,036	1,328

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 2025	11,626	18,645	30,271
Recognised in profit or loss	590	(17,456)	(16,866)
At 28 February 2026	12,216	1,189	13,405
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

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:

	Unused tax losses and unabsorbed capital allowances RM'000	Lease liability RM'000	Others RM'000	Total RM'000
At 1 March 2025	(2,854)	(24,162)	(1,927)	(28,943)
Recognised in profit or loss	1,497	23,029	1,048	25,574
At 28 February 2026	(1,357)	(1,133)	(879)	(3,369)
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)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unabsorbed capital allowances	53,873	52,760	818	818
Unabsorbed investment tax allowance	9,729	9,711	–	–
Unused tax losses	257,149	254,474	–	–
Other deductible temporary differences	106,837	105,565	–	–
	427,588	422,510	818	818

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 are not expected to have insufficient profits to fully utilise these unabsorbed capital allowances, unabsorbed investment tax allowances, unused tax losses and other deductible temporary differences in the foreseeable future.

The unabsorbed capital allowances, unabsorbed investment tax allowances and unused 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 unused 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 unused 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	
	2026 RM'000	**2025 RM'000**
Utilisation period		
Indefinite	57,320	66,367
2027	2,318	2,318
2028	232,077	225,241
2029	1,203	1,203
2030	1,240	1,585
2031	12,078	12,333
2032	8,471	8,601
2033	4,259	4,259
2034	1,568	1,611
2035	763	834
	321,297	324,352

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. INVENTORIES

	Group	
	2026 RM'000	2025 RM'000
Raw materials	20,498	18,501
Work in progress	5,939	5,570
Trading goods	47,275	64,934
Finished goods	1,571	1,446
Inventory properties	3,685	7,133
Consumables	8	140
Goods in transit	3,471	2,286
Food and beverages	215	143
	82,662	100,153

During the financial year, the amount of inventories recognised as an expense in the income statements was RM216,235,000 (2025: RM256,381,000).

During the financial year, a write-down of inventories amounting to RM102,000 (2025: RM942,000) was recognised as an expense to reduce inventories to their net realisable value. The net realisable value of these inventories are determined based on the expected selling price less costs of disposal.

24. BIOLOGICAL ASSETS

	Group	
	2026 RM'000	2025 RM'000
At fair value		
At beginning of the financial year	213	170
(Loss)/Gain arising from changes in fair value	(4)	43
At end of the financial year	209	213

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 amount in the following month with the assumption that all the fruits harvested are sold subsequently.

During the financial year, the Group produced approximately 3,000 tonnes (2025: 2,500 tonnes) of FFB. The selling prices per tonne for those FFB are based on CPO and PK selling prices ranging between RM2,900 to RM4,700 (2025: RM2,300 to RM5,100) and contracted pre-determined extraction rates of CPO and PK as agreed with the buyer of the FFB crop.

25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-current				
Other receivables				
Due from subsidiaries	–	–	5,705	3,021
Current				
Trade receivables				
Third parties	15,722	23,451	–	–
Less: Allowance for impairment	(240)	(130)	–	–
Trade receivables, net	15,482	23,321	–	–
Other receivables				
Due from subsidiaries	–	–	3,287	3,921
Less: Allowance for impairment	–	–	(3,160)	(3,804)
	–	–	127	117
Deposits	1,935	4,268	3	2
Due from Berjaya Waterfront Sdn. Bhd.	–	21,018	–	–
Sundry receivables	17,259	3,773	13,062	3
	19,194	29,059	13,065	5
Less: Allowance for impairment	(161)	(161)	–	–
Other receivables, net	19,033	28,898	13,192	122
Total current trade and other receivables, net	34,515	52,219	13,192	122
Total trade and other receivables	34,515	52,219	18,897	3,143
Add: Cash and bank balances (Note 29)	273,097	277,165	157,077	7,104
Total financial assets carried at amortised cost	307,612	329,384	175,974	10,247

25. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 120 days (2025: 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	
	2026 RM'000	2025 RM'000
Interest bearing	5,705	3,021
Non interest bearing	127	117
	5,832	3,138

The effective interest on the interest bearing amount is 5.0% (2025: 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. The amount was guaranteed by Berjaya Waterfront's holding company.

The amount due from Berjaya Waterfront was fully repaid during the current financial year.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2026 RM'000	2025 RM'000
Neither past due nor impaired	9,382	21,549
1 to 30 days past due not impaired	4,985	695
31 to 60 days past due not impaired	219	108
61 to 90 days past due not impaired	731	636
91 to 120 days past due not impaired	112	106
More than 120 days past due not impaired	53	227
Past due but not impaired	6,100	1,772
Impaired	240	130
	15,722	23,451

25. TRADE AND OTHER RECEIVABLES (CONT'D)

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 RM6,100,000 (2025: RM1,772,000) 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.

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	
	2026 RM'000	2025 RM'000
Individually impaired		
Trade receivables - nominal amounts	240	130
Less: Allowance for impairment	(240)	(130)
	–	–

Movement in allowance accounts:

	Group	
	2026 RM'000	2025 RM'000
At beginning of the financial year	130	308
Charge for the year	120	16
Written back	(10)	(73)
Write off against trade receivables	–	(121)
At end of the financial year	240	130

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.

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	
	2026 RM'000	2025 RM'000
Individually impaired		
Sundry receivables - nominal amounts	161	161
Less: Allowance for impairment	(161)	(161)
	–	–

	Company	
	2026 RM'000	2025 RM'000
Individually not impaired		
Due from subsidiaries	5,832	3,138
Individually impaired		
Due from subsidiaries - nominal amounts	3,160	3,804
	8,992	6,942
Less: Allowance for impairment	(3,160)	(3,804)
	5,832	3,138

Movement in allowance accounts:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At beginning of the financial year	161	161	3,804	17,100
Charge for the year	–	–	23	1,357
Reversal	–	–	(568)	(14,647)
Write off against other receivables	–	–	(99)	(6)
At end of the financial year	161	161	3,160	3,804

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.

26. MARKETABLE SECURITIES

	Group and Company 2026 RM'000	2025 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 (2025: RM Nil) of the equity instruments.

27. DERIVATIVE ASSETS AND LIABILITIES

	Assets RM'000	Liabilities RM'000
Group		
As at 28 February 2026		
Current	–	–
As at 28 February 2025		
Current	14	1

	2026		2025	
	Notional amount RM'000	Assets RM'000	Notional amount RM'000	Assets RM'000
Group				
Forward currency contracts	–	–	869	13

27. DERIVATIVE ASSETS AND LIABILITIES (CONT'D)

Forward currency contracts

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 RM13,000 (2025: 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.

28. INVESTMENT IN STRUCTURED NOTES

	Group	
	2026 RM'000	2025 RM'000
Non-current		
At fair value through profit or loss		
- Structured note	12,560	–

During the financial year, the Group invested in structured notes denominated in Singapore Dollar (SGD) with an aggregate principal amount of SGD4.0 million, issued on 31 October 2025 and maturing in three years. The structured notes carry a guaranteed fixed return of 6% per annum, payable in accordance with the terms of the agreement and are redeemable at the aggregate principal amount adjusted for movement in the underlying index plus accrued interest upon maturity. The principal amount is not capital protected.

The Group is also granted a put option by the promoter of the investment which entitles the Group to require the promoter to purchase the structured notes at the higher of SGD4.0 million and aggregate principal amount adjusted for movement in the underlying index plus accrued interest upon the occurrence of certain trigger events. These events include, inter alia, failure by the issuer to redeem the structured notes when due, failure to pay the guaranteed interest of 6% per annum when due or any other breach of the relevant agreements. The put option is exercisable with settlement required within ten business days, failing which late payment interest at a rate of 8% per annum will be imposed on the outstanding amount until full settlement.

The Group considers the investment to carry a moderate level of risk taking into account the guaranteed return and the availability of the put option as a credit enhancement mechanism.

29. CASH AND BANK BALANCES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash on hand and at banks	93,050	56,822	5,574	4,350
Deposits with licenced banks	180,047	220,343	151,503	2,754
	273,097	277,165	157,077	7,104

Cash at banks earns interest at floating rates based on daily bank deposit rates. Deposits with licensed banks are made for varying periods of between one day and one year (2025: 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 0.70% to 3.65% (2025: 1.72% to 3.29%) per annum and 0.70% to 3.65% (2025: 1.72% to 2.80%) per annum, respectively.

Deposits with licensed banks of the Group and the Company amounting to RM11,700,000 (2025: RM11,519,000) and RM1,105,000 (2025: RM1,075,000) are pledged to banks for credit facilities granted to certain subsidiaries and the Company as disclosed in Note 33.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash on hand and at banks	93,050	56,822	5,574	4,350
Deposits with licenced banks	180,047	220,343	151,503	2,754
	273,097	277,165	157,077	7,104
Deposits with a licenced bank more than 3 months	(145,437)	(1,015)	(143,398)	–
Deposits pledged with licenced banks	(11,700)	(11,519)	(1,105)	(1,075)
Cash and cash equivalents	115,960	264,631	12,574	6,029

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade payables				
Third parties	22,279	35,785	–	–
Other payables				
Sundry payables	11,682	14,867	679	116
Sales and Service Tax ("SST") payable	83	20	–	–
Accruals	20,339	24,174	362	492
Deposits payable	12,879	5,443	–	–
Rental payable	30	350	–	–
Royalty payable	1,498	686	–	–
	46,511	45,540	1,041	608
Total trade and other payables	68,790	81,325	1,041	608
Less: SST payable	(83)	(20)	–	–
Total trade and other payables excluding SST payable	68,707	81,305	1,041	608
Add: Borrowings (Note 33)	64,848	72,177	51,368	56,968
Add: Lease liabilities (Note 34)	8,745	102,673	–	–
Total financial liabilities carried at amortised cost	142,300	256,155	52,409	57,576

Trade payables

These amounts are non-interest bearing. The credit terms of trade payables normally range from 30 to 120 days (2025: 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 (2025: 30 to 120 days).

31. PROVISION FOR RESTORATION COSTS

	Group	
	2026 RM'000	2025 RM'000
At beginning of the financial year	704	704
Utilised during the year	(159)	–
Reversal during the year	(545)	–
At end of the financial year	–	704
Analysis of present value of restoration costs:		
Later than 1 year and not later than 5 years	–	32
More than 5 years	–	672
Amount due after 12 months	–	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.

The provision was related to the lease arrangement for the premises in Johor Bahru. During the financial year, restoration costs of RM159,000 were incurred following the lease termination due to the non-renewal of business licences (Note 44(c)). Accordingly, the remaining provision of RM545,000 was fully reversed.

32. 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.

32. EMPLOYEE BENEFITS (CONT'D)

(a) The amounts recognised in the statements of financial position are determined as follows:

	Group	
	2026 RM'000	2025 RM'000
Present value of unfunded obligations, representing recognised liability for defined benefit obligations	1,771	2,036
Analysed as:		
Current	655	702
Non-current:		
Later than 1 year but not later than 2 years	77	179
Later than 2 years but not later than 5 years	673	421
Later than 5 years	366	734
	1,116	1,334
Total employee benefits	1,771	2,036

(b) Movement in the net liability recognised in the statements of financial position:

	Group	
	2026 RM'000	2025 RM'000
At beginning of the financial year	2,036	1,852
Remeasurement loss recognised in other comprehensive income	–	325
Benefits paid	(265)	(141)
At end of the financial year	1,771	2,036

32. EMPLOYEE BENEFITS (CONT'D)

(c) Principal actuarial assumptions used at the reporting date (expressed as weighted average):

	Group	
	2026 %	2025 %
Discount rate	4.0	4.3

(d) A quantitative sensitivity analysis of the change in the rates as at 28 February 2026 and 28 February 2025 is shown below:

		Group Impact on defined benefit obligations	
	Increase/ (decrease) %	2026 RM'000	2025 RM'000
Discount rate	1.0	(50)	(70)
Discount rate	(1.0)	50	70

(e) The expected benefit payments in future years are as follows:

	Group	
	2026 RM'000	2025 RM'000
Not later than 1 year	655	702
Later than 1 year and not later than 5 years	452	660
Later than 5 years and not later than 10 years	507	675
More than 10 years	207	392
	1,821	2,429

33. BORROWINGS

	Maturity	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
Current					
Secured:					
Bankers' acceptances	2027	1,160	4,749	–	–
Revolving credit	2027	3,558	–	–	–
Term loans	2027	7,180	8,227	5,482	6,529
		11,898	12,976	5,482	6,529
Unsecured:					
Revolving credit	2027	10,000	10,000	10,000	10,000
		21,898	22,976	15,482	16,529
Non-current					
Secured:					
Term loans	2028-2036	42,950	49,201	35,886	40,439
Total borrowings		64,848	72,177	51,368	56,968
Total borrowings					
Bankers' acceptances		1,160	4,749	–	–
Revolving credit		13,558	10,000	10,000	10,000
Term loans		50,130	57,428	41,368	46,968
Total borrowings		64,848	72,177	51,368	56,968
Maturity of borrowings					
Not later than 1 year		21,898	22,976	15,482	16,529
Later than 1 year and not later than 5 years		27,690	32,677	21,557	26,115
More than 5 years		15,260	16,524	14,329	14,324
		64,848	72,177	51,368	56,968

33. BORROWINGS (CONT'D)

The borrowings are secured by way of:

- fixed charges on certain properties of the Group with a net carrying amount of RM2,121,000 (2025: RM2,160,000);
- deposits with licensed banks of the Group and the Company amounting to RM11,700,000 (2025: RM11,519,000) and RM1,105,000 (2025: RM1,075,000);
- fixed and floating charges over all present and future assets of certain subsidiaries; and
- corporate guarantees by the Company and by certain subsidiaries of the Group.

Bankers' acceptances

Bankers' acceptances bear interest at 4.14% (2025: 4.21% to 4.80%) per annum. The bankers' acceptances are secured by corporate guarantee from the Company.

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 deposit with licensed banks.

Revolving credits

The secured revolving credits bear interest at 0.8% to 1% per annum above cost of funds, and is secured by corporate guarantee from the Company. The unsecured revolving credit bears interest at 5.10% (2025: 5.35%) per annum.

34. LEASE LIABILITIES

		Group	
		2026 RM'000	2025 RM'000
Current			
Hire purchase liabilities	**(a)**	357	–
Other lease liabilities	**(b)**	1,318	7,071
		1,675	7,071
Non-current			
Hire purchase liabilities	**(a)**	1,462	–
Other lease liabilities	**(b)**	5,608	95,602
		7,070	95,602
Total lease liabilities		8,745	102,673

34. LEASE LIABILITIES (CONT'D)

(a) Hire purchase liabilities

	Group 2026 RM'000	2025 RM'000
Future minimum payments:		
Not later than 1 year	491	–
Later than 1 year and not later than 2 years	491	–
Later than 2 years and not later than 5 years	1,164	–
Total future minimum payments	2,146	–
Less: Future finance charges	(327)	–
Present value of hire purchase liabilities	1,819	–
Analysis of present value of hire purchase liabilities:		
Not later than 1 year	357	–
Later than 1 year and not later than 2 years	391	–
Later than 2 years and not later than 5 years	1,071	–
	1,819	–
Less: Amount due within 12 months	(357)	–
Amount due after 12 months	1,462	–

Hire purchase liabilities

The discount rates implicit in the hire purchase liabilities of the Group are 2.07% to 4.54% (2025: Nil) per annum.

(b) Other lease liabilities

	Group 2026 RM'000	2025 RM'000
At beginning of the financial year	102,673	106,966
Additions	2,117	1,683
Accretion of interest (Note 9)	6,159	6,934
Lease modification	–	70
Lease termination	(91,278)	(873)
Payments of:		
- Principal	(6,708)	(5,292)
- Interest	(6,037)	(6,815)
At end of the financial year	6,926	102,673

34. LEASE LIABILITIES (CONT'D)

(b) Other lease liabilities (Cont'd)

	Group 2026 RM'000	2025 RM'000
Analysed as:		
Current	1,318	7,071
Non-current	5,608	95,602
	6,926	102,673

The maturity analysis of lease liabilities are disclosed in Note 41(b).

The following are the amounts recognised in profit or loss:

	Group 2026 RM'000	2025 RM'000
Depreciation expense of right-of-use assets	8,405	9,392
Interest expense on lease liabilities	6,159	6,934
Impairment loss on right-of-use assets	322	219
Gain on lease modification	–	(790)
(Gain)/Loss on lease termination	(23,293)	1,876
Expenses relating to short-term leases	1,463	688
Total amount recognised in profit and loss	(6,944)	18,319

The Group had total cash outflows for leases of RM14,588,000 (2025: RM12,847,000) for the financial year ended 28 February 2026. The Group also had non-cash additions to right-of-use assets and lease liabilities of RM2,117,000 (2025: RM1,683,000) for the financial year ended 28 February 2026.

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 RM380,000 (2025: RM52,000) for the financial year ended 28 February 2026.

35. SHARE CAPITAL

	Number of shares '000	Share capital (Issued and fully paid, at no par value) RM'000
Group and Company		
At 1 March 2025 and 28 February 2026	253,650	356,528
At 1 March 2024 and 28 February 2025	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.

36. OTHER RESERVE

Other reserve arises from changes in the Group's equity interest in subsidiaries.

	Group	
	2026 RM'000	2025 RM'000
At beginning of the financial year	(74,780)	(75,560)
Strike-off of subsidiaries	–	780
Transfer to retained earnings	(780)	–
At end of the financial year	(75,560)	(74,780)

37. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 28 February 2026 and 28 February 2025 under the single tier system.

38. COMMITMENTS

Capital commitments

	Group	
	2026 RM'000	**2025 RM'000**
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	5,841	7,921
Approved but not contracted for:		
Property, plant and equipment	11,087	11,482
	16,928	19,403

39. 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	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Proceeds received from disposal of United Industries Holdings Sdn. Bhd.	–	–	(175,000)	–
Dividend income from subsidiaries	–	–	(21,332)	(40,300)
Donation to Yayasan Harmoni *	500	1,150	300	–
Interest income from subsidiaries	–	–	(366)	(598)
Management fee charged by a subsidiary	–	–	6,400	1,450

* Dato' Sri Adam Sani Bin Abdullah is the founder and executive chairman of Yayasan Harmoni, a non-profitable non-government organisation.

39. RELATED PARTY DISCLOSURES (CONT'D)

(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	
	2026 RM'000	**2025 RM'000**
Short-term employee benefits	8,718	5,918
Defined contribution plan	635	487
	9,353	6,405

Included in the remuneration of total key management personnel are:

	Group	
	2026 RM'000	**2025 RM'000**
Directors' remuneration (excluding fees and benefits-in-kind)	1,435	2,902

40. 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).

40. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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
Group				
At 28 February 2026				
Assets measured at fair value				
Financial assets:				
Marketable securities (Note 26)	2	–	–	2
Investment in structured notes (Note 28)	–	–	12,560	12,560
Non-financial assets:				
Biological assets (Note 24)	–	–	209	209
Assets for which fair values are disclosed				
Investment properties (Note 14)	–	–	67,600	67,600
At 28 February 2025				
Assets measured at fair value				
Financial assets:				
Marketable securities (Note 26)	2	–	–	2
Derivative assets (Note 27)	–	14	–	14
Non-financial assets:				
Biological assets (Note 24)	–	–	213	213
Liabilities measured at fair value				
Financial liabilities:				
Derivative liabilities (Note 27)	–	(1)	–	(1)
Assets for which fair values are disclosed				
Investment properties (Note 14)	–	–	68,000	68,000

40. 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 amount in the following month with the assumption that of all the fruits harvested are sold subsequently to the customer.

Investment in structured note (Note 28): The fair value is determined by reference to the net asset value of the underlying portfolio, adjusted for movements in the underlying index, together with interest accrued at the contractual rate of 6% per annum to the end of the reporting period. The valuation is based on information, including the adjusted net asset value and asset under management, provided and confirmed by the issuer of the structured note. The underlying index is not quoted in an active market and is not publicly observable.

(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)	30
Borrowings (current)	33

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.

40. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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 (Cont'd)

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.

41. 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.

41. 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.

41. 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 2026 and 28 February 2025 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 2026	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	14,367	219	731	405	15,722
Loss allowance provision	–	–	–	(240)	(240)

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)

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.

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. However, during the financial year, this balance was fully paid by Berjaya Waterfront Sdn. Bhd. and accordingly, there is no significant exposure to any individual customer or counterparty for the year ended 28 February 2026.

41. 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 (2025: 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			
	2026		2025	
	RM'000	% of total	RM'000	% of total
By business segments:				
Property and hospitality	2,478	16%	373	2%
Trading of duty free goods, dutiable and non-dutiable merchandise	322	2%	382	2%
Automotive component parts manufacturing	12,682	82%	22,566	96%
	15,482	100%	23,321	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.

41. 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 2026, the Group's holdings of cash and short-term deposits amounting to RM115,960,000 (2025: RM264,631,000) 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.

	2026			
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Group				
Financial assets:				
Trade and other receivables	34,515	–	–	34,515
Cash and bank balances	273,097	–	–	273,097
Total undiscounted financial assets	307,612	–	–	307,612
Financial liabilities:				
Trade and other payables	68,707	–	–	68,707
Borrowings	24,110	39,762	9,044	72,916
Lease liabilities	2,067	4,070	4,745	10,882
Dividends payable	12,682	–	–	12,682
Total undiscounted financial liabilities	107,566	43,832	13,789	165,187
Total net undiscounted financial assets/(liabilities)	200,046	(43,832)	(13,789)	142,425

41. 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).

	2026			
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Company				
Financial assets:				
Other receivables	13,192	5,705	–	18,897
Cash and bank balances	157,077	–	–	157,077
Total undiscounted financial assets	170,269	5,705	–	175,974
Financial liabilities:				
Other payables	1,041	–	–	1,041
Borrowings	17,694	33,666	8,076	59,436
Dividends payable	12,682	–	–	12,682
Total undiscounted financial liabilities	31,417	33,666	8,076	73,159
Total net undiscounted financial assets/(liabilities)	138,852	(27,961)	(8,076)	102,815

41. 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			
	On demand or within one year RM'000	**One to five years RM'000**	**More than five years RM'000**	**Total RM'000**
Group				
Financial assets:				
Trade and other receivables	52,219	–	–	52,219
Derivative assets	14	–	–	14
Cash and bank balances	277,165	–	–	277,165
Total undiscounted financial assets	329,398	–	–	329,398
Financial liabilities:				
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
Total undiscounted financial liabilities	120,739	97,413	100,340	318,492
Total net undiscounted financial assets/(liabilities)	208,659	(97,413)	(100,340)	10,906

41. 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			
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
Company				
Financial assets:				
Other receivables	122	3,021	–	3,143
Cash and bank balances	7,104	–	–	7,104
Total undiscounted financial assets	7,226	3,021	–	10,247
Financial liabilities:				
Other payables	608	–	–	608
Borrowings	18,868	32,655	16,042	67,565
Total undiscounted financial liabilities	19,476	32,655	16,042	68,173
Total net undiscounted financial liabilities	(12,250)	(29,634)	(16,042)	(57,926)

41. 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 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
Group		
28 February 2026		
Ringgit Malaysia	+10	33
Ringgit Malaysia	-10	(33)
Singapore Dollar	+10	2
Singapore Dollar	-10	(2)
28 February 2025		
Ringgit Malaysia	+10	100
Ringgit Malaysia	-10	(100)
Singapore Dollar	+10	2
Singapore Dollar	-10	(2)

41. 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 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 profit/(loss) before tax RM'000
Company		
28 February 2026		
Ringgit Malaysia	+10	51
Ringgit Malaysia	-10	(51)
Singapore Dollar	+10	2
Singapore Dollar	-10	(2)
28 February 2025		
Ringgit Malaysia	+10	(56)
Ringgit Malaysia	-10	56
Singapore Dollar	+10	2
Singapore Dollar	-10	(2)

(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% (2025: 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.

41. 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.

		2026 RM'000	2025 RM'000
Group			
USD/RM	- strengthened 3% (2025: 3%)	76	34
	- weakened 3% (2025: 3%)	(76)	(34)
SGD/RM	- strengthened 3% (2025: 3%)	(315)	(335)
	- weakened 3% (2025: 3%)	315	335
THB/RM	- strengthened 3% (2025: 3%)	(57)	(76)
	- weakened 3% (2025: 3%)	57	76
IDR/RM	- strengthened 3% (2025: 3%)	(30)	(25)
	- weakened 3% (2025: 3%)	30	25
JPY/RM	- strengthened 3% (2025: 3%)	–	(49)
	- weakened 3% (2025: 3%)	–	49
CNY/RM	- strengthened 3% (2025: 3%)	(5)	(23)
	- weakened 3% (2025: 3%)	5	23
GBP/RM	- strengthened 3% (2025: 3%)	–	11
	- weakened 3% (2025: 3%)	–	(11)
SGD/USD	- strengthened 3% (2025: 3%)	(1)	(2)
	- weakened 3% (2025: 3%)	1	2
Company			
SGD/RM	- strengthened 3% (2025: 3%)	47	50
	- weakened 3% (2025: 3%)	(47)	(50)

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 2026 and 28 February 2025.

42. 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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Total external debt	64,848	72,177	51,368	56,968
Total equity	516,542	527,206	569,106	437,573
Gearing ratio (times)	0.13	0.14	0.09	0.13

43. 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 component parts manufacturing.

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.

43. SEGMENT INFORMATION (CONT'D)

2026

	Investment holding RM'000	Property and hospitality RM'000	Trading of duty free goods, dutiable and non-dutiable merchandise RM'000	Automotive component parts manufacturing RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
Revenue:								
External customers	4,260	42,210	139,858	224,565	93	–	A	410,986
Inter-segment	21,698	676	–	–	11,400	(33,774)		–
Total revenue	25,958	42,886	139,858	224,565	11,493	(33,774)		410,986
Results:								
Depreciation and amortisation	–	(4,804)	(9,403)	(7,709)	(445)	695		(21,666)
Loss arising from changes in fair value of biological assets	–	(4)	–	–	–	–		(4)
Share of results of an associate	(174)	–	–	–	–	–		(174)
Impairment loss on right-of-use assets	–	–	(322)	–	–	–		(322)
Impairment loss on goodwill	(972)	–	–	–	–	–		(972)
Other non-cash income	–	–	23,330	231	–	–	B	23,561
Segment (loss)/profit	(4,290)	1,181	38,780	27,708	(10,493)	(10,151)	C	42,735
Assets:								
Investment in an associate	327	–	–	–	–	–		327
Additions to non-current assets	–	7,279	1,342	12,750	376	–	D	21,747
Segment assets	199,047	209,288	102,662	167,928	3,776	2,989	E	685,690
Liabilities:								
Segment liabilities	14,802	17,318	7,304	50,207	2,357	77,160	F	169,148

43. SEGMENT INFORMATION (CONT'D)

2025

	Investment holding RM'000	Property and hospitality RM'000	Trading of duty free goods, dutiable and non-dutiable merchandise RM'000	Automotive component parts manufacturing RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
Revenue:								
External customers	3,693	43,336	155,863	252,202	21	–	A	455,115
Inter-segment	40,898	660	–	–	7,700	(49,258)		–
Total revenue	44,591	43,996	155,863	252,202	7,721	(49,258)		455,115
Results:								
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
Assets:								
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
Liabilities:								
Segment liabilities	1,784	13,249	114,469	54,235	3,002	82,305	F	269,044

43. SEGMENT INFORMATION (CONT'D)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash income/(expenses) consist of the following items as presented in the respective notes to the financial statements:

	Note	2026 RM'000	2025 RM'000
Reversal of impairment loss on receivables	5	10	73
Impairment loss on receivables	8	(120)	(16)
Inventories written down	8	(102)	(942)
Inventories written back	5	675	1,165
Property, plant and equipment written off	8	(195)	(1,757)
Gain/(Loss) on lease termination	5	23,293	(1,876)
Deposit forfeited	5	–	15
		23,561	(3,338)

C The following items are deducted from segment profit/(loss) to arrive at "Profit before tax" presented in the income statements:

	2026 RM'000	2025 RM'000
Share of results of an associate	174	(134)
Finance costs	9,977	10,890
	10,151	10,756

D Additions to non-current assets consist of:

	2026 RM'000	2025 RM'000
Property, plant and equipment	21,524	11,923
Investment properties	223	56
	21,747	11,979

E The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	2026 RM'000	2025 RM'000
Investment in an associate	327	501
Deferred tax assets	1,159	7,895
Tax recoverable	1,503	6,893
	2,989	15,289

43. SEGMENT INFORMATION (CONT'D)

F The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:

	2026 RM'000	2025 RM'000
Deferred tax liabilities	11,195	9,223
Tax payable	1,117	905
Borrowings	64,848	72,177
	77,160	82,305

44. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) On 10 September 2024, the Company 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 (as defined below), KMSB and CHPSSB will collaborate to develop two blocks comprising 1,260 serviced apartment units, 10 retail lots, and multiple levels of parking on the Land ("Proposed Joint Development").

Pursuant to the Agreement, KMSB, being the joint developer of the Land, shall be entitled to 18.0% of the total net saleable area of the Proposed Joint Development ("KMSB's Entitlement"). The Proposed Joint Development is estimated by CHPSSB to have a gross development value of RM478.42 million and gross development cost of RM406.42 million, and accordingly, the value of KMSB's Entitlement is estimated at RM83.57 million.

On 19 March 2025, the proposed joint development was duly approved by the Duty Free International Limited's shareholders at the Extraordinary General Meeting.

Pursuant to the Agreement, the Proposed Joint Development is conditional upon the fulfilment of the conditions precedent within a period of nine (9) months from the date of the Agreement, i.e. by 9 June 2025, or such further period as may be mutually agreed by the parties ("Conditional Period").

As the conditions precedent were not fully satisfied by the expiry date of the Conditional Period, KMSB and CHPSSB had on 9 June 2025 entered into a Supplemental Letter to the Agreement to extend the Conditional Period for an additional six months, commencing from 10 June 2025 and expiring on 9 December 2025. Subsequently, as the conditions precedent remained unsatisfied upon the expiry on 9 December 2025, KMSB and CHPSSB agreed to further extend the Conditional Period for another six months, commencing from 10 December 2025 and expiring on 9 June 2026.

44. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

(b) On 21 July 2025, on behalf of the Board of Directors of the Company, Kenanga Investment Bank Berhad ("Kenanga IB") announced that the Company had entered into a Share Sale and Purchase Agreement ("SSPA") with Duty Free International Limited ("DFIL") to dispose of 37,700,000 ordinary shares (the "Sale Shares"), representing 100% of the issued and paid-up shares capital of United Industries Holdings Sdn. Bhd. ("UIHSB" and together with its subsidiaries, "UI Group") for an aggregate consideration of RM175,000,000 ("Disposal Consideration"), (the "Proposed Disposal"), subject to the terms and conditions set out in the SSPA.

A refundable deposit of RM17,500,000 representing 10% of the Disposal Consideration was received upon execution of the SSPA. The remaining RM157,500,000, representing 90% of the Disposal Consideration was to be paid by DFIL on completion of the sale and purchase of the Sale Shares in accordance with the SSPA.

The Proposed Disposal was duly approved by the Company's shareholders at the Extraordinary General Meeting convened on 23 October 2025, followed by approval from DFIL's shareholders at its Extraordinary General Meeting convened on 28 October 2025.

Following shareholders' approval and the fulfillment of all Conditions Precedent, Kenanga IB, on behalf of the Company, announced that all conditions precedent under the SSPA had been satisfied and the balance Disposal Consideration had been fully received on 31 October 2025. Accordingly, the Proposed Disposal was completed on 31 October 2025. Upon completion of the Proposed Disposal, UI Group became wholly-owned subsidiaries of DFIL and indirect subsidiaries of the Company.

(c) On 19 February 2026, the Company announced that its subsidiary, Selasih Ekslusif Sdn. Bhd. ("Selasih") has ceased its duty-free operations at the integrated commercial duty free complex, known as Berjaya Waterfront Johor Bahru ("the Complex") and had served notice to terminate the Tenancy Agreement dated 15 March 2013 with Berjaya Waterfront Sdn. Bhd. ("Berjaya") with immediate effect.

Selasih had to cease its duty free business operations at the Complex following Majlis Bandaraya Johor Bahru ("MBJB") non-renewal of the business licences despite Selasih's repeated efforts to renew the same.

As Selasih is unable to lawfully operate its core duty free business at the Complex without the requisite licences, it has, after seeking legal advice, exercised its right under the Tenancy Agreement to issue a notice to Berjaya terminating the Tenancy of the Complex with effect from 19 February 2026. The termination was made on the grounds, inter-alia, that the non-renewal of its business licences had rendered Selasih's duty free business untenable.

Following the termination of the tenancy agreement, the Group recognised a one-off exceptional net gain after tax of approximately RM17 million, primarily arising from the derecognition of lease, net of costs associated with the cessation of the duty free operations at the Complex (which included assets written off, write-down of inventories and staff retrenchment costs).

45. MATERIAL LITIGATION

Alor Setar High Court Suit No. KA-15-3-06/2025 ("Suit 3"): Cergasjaya Properties Sdn. Bhd. ("Cergasjaya Properties") v 1. Pentadbir Tanah Daerah Kubang Pasu ("PTD"); 2. Pejabat Penasihat Undang Undang Negeri Kedah

Alor Setar High Court Suit No. KA-15-4-06/2025 ("Suit 4"): Cergasjaya Sdn. Bhd. ("Cergasjaya") v 1. PTD; 2. Pejabat Penasihat Undang Undang Negeri Kedah

On 26 September 2024, the wholly-owned subsidiaries of the Company, Cergasjaya and Cergasjaya Properties received the prescribed Forms E and F under the Land Acquisition Act 1960 ("LAA") in relation to the compulsory acquisition of the following lands ("Affected Land") 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 ("Lot 1683"), held by Cergasjaya under a direct lease from the State of Kedah until 18 November 2072. This land has been given a Retail 6A status under the Free Zone Act 1990. Cergasjaya had conducted its duty free business and car park operations since 1988 on this land.

- Lot 61677 (previously PT 2209), measuring 2.57 acres ("Lot 61677"), leased by Cergasjaya Properties from the Kedah State Development Corporation (or Perbadanan Kemajuan Negeri Kedah) until 22 November 2053.This land is gazetted as commercial land under the Free Zone Act 1990.

The Compulsory Land Acquisition also injuriously affected 3 other plots of lands i.e., Lot 61678, Lot 3688 and Lot 3689, all of Bukit Kayu Hitam, Kubang Pasu District, Kedah, measuring approximately 768.62 acres, as it resulted in there being no proper access to these lands. These other 3 plots of lands are also leased by Cergasjaya Properties from the Kedah State Development Corporation.

On 6 November 2024, the land acquisition enquiry hearing was conducted and the Land Administrator had made a compensation award of RM67.796 million for Lot 1683 and RM1.8 million for Lot 61677 ("Compensation Sums"). On 12 November 2024, two formal Notices of Award in the prescribed Form H were served on Cergasjaya and Cergasjaya Properties.

On 18 November 2024, the Ministry of Home Affairs of Malaysia or Kementerian Dalam Negeri ("KDN") made payments of the Compensation Sums to Cergasjaya and Cergasjaya Properties respectively in accordance with the compensation awarded under the respective prescribed Forms H. Subsequently, on 21 November 2024 and 24 November 2024, Cergasjaya and Cergasjaya Properties received the respective prescribed Forms K from the Land Administrator in relation to the formal possession of Lot 1683 and Lot 61677. As a result, Cergasjaya had to cease its duty free business at the Duty Free Complex and car park operations on 25 November 2024 and had vacated the premises thereafter.

As the Group disagreed with the compensation awarded by KDN, on 15 December 2024, Cergasjaya and Cergasjaya Properties filed an objection by way of a land reference to the High Court as per the prescribed Forms N in accordance with section 37 and section 38(1) of LAA to the Land Administrator.

45. MATERIAL LITIGATION (CONT'D)

Following the objection, the matters have been referred to the High Court via Forms O dated 29 May 2025 and 1 June 2025 respectively. The reference proceedings are in Suit 4 and Suit 3 respectively. Parties have filed their respective valuation reports, rebuttals and affidavits and are due to file their respective written submissions by 23 July 2026 with the first hearing date fixed on 26 August 2026. These 2 cases are consolidated and will be heard together.

The solicitors acting for Cergasjaya and Cergasjaya Properties are of the view that the outcome of the land reference proceedings will be determined by the strength of evidence tendered before the Court (including valuation reports and expert's witnesses' reports and affidavit evidence).

Further, the solicitors are of the view that Cergasjaya and Cergasjaya Properties have an arguable case with prospects of success in securing an increase in the compensation awarded by the PTD at the land enquiry.

ANALYSIS OF SHAREHOLDINGS
as at 29 May 2026

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	–	–	127,819,214 (1)	50.39

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 29 MAY 2026
(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	–	–	127,819,214 (1)	50.39
Lim Family Holdings Limited	–	–	127,819,214 (2)	50.39
Distinct Continent Sdn. Bhd.	75,220,340	29.65	–	–
Alpretz Capital Sdn. Bhd.	52,598,874	20.74	–	–
Dato' Sri Adam Sani Bin Abdullah	–	–	127,819,214 (3)	50.39
Berjaya Corporation Berhad	40,200,000	15.85	27,136,600 (4)	10.70
Juara Sejati Sdn Bhd	13,900,000	5.48	5,703,000 (5)	2.25
Berjaya Group Berhad	–	–	27,136,600 (6)	10.70

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 Berjaya IPS Equity Sdn. Bhd. (formerly known as Inter-Pacific Capital Sdn. Bhd.), Berjaya Philippines Inc., Juara Sejati Sdn. Bhd, Teras Mewah Sdn. Bhd, REDTone Digital Berhad and Berjaya IPS Credits Sdn. Bhd. (formerly known as Inter-Pacific Credits Sdn. Bhd.).
(5) Deemed interested by virtue of its interest in Berjaya IPS Equity Sdn. Bhd. (formerly known as Inter-Pacific Capital Sdn. Bhd.), Berjaya Philippines Inc., REDTone Digital Berhad and Berjaya IPS Credits Sdn. Bhd. (formerly known as Inter-Pacific Credits Sdn. Bhd.).
(6) Deemed interested by virtue of its interest in Berjaya IPS Equity Sdn. Bhd. (formerly known as Inter-Pacific Capital Sdn. Bhd.), Berjaya Philippines Inc., Juara Sejati Sdn. Bhd, Teras Mewah Sdn. Bhd., REDTone Digital Berhad and Berjaya IPS Credits Sdn. Bhd. (formerly known as Inter-Pacific Credits Sdn. Bhd.).

ANALYSIS OF SHAREHOLDINGS AS AT 29 MAY 2026

Class of Shares : Ordinary shares

Voting Rights : One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 29 MAY 2026

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	201	19.73	4,581	0.00
100 – 1,000	302	29.64	102,784	0.04
1,001 – 10,000	354	34.74	1,216,390	0.48
10,001 – 100,000	95	9.32	2,917,941	1.15
100,001 to less than 5% of issued shares	62	6.08	163,570,963	64.49
5% and above of issued shares	5	0.49	85,837,750	33.84
TOTAL	1,019	100.00	253,650,409	100.00

THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 MAY 2026

	Name of Shareholders	No. of Shares Held	%
1.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd.	23,000,000	9.07
2.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	17,500,000	6.90
3.	ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd. (Adam Sani)	16,337,750	6.44
4.	Distinct Continent Sdn. Bhd.	14,500,000	5.72
5.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	14,500,000	5.72
6.	Distinct Continent Sdn. Bhd.	10,852,367	4.28
7.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd.	10,530,223	4.15
8.	Berjaya Equity Nominees (Tempatan) Sdn. Bhd. - Berjaya IPS Credits Sdn. Bhd. for Alpretz Capital Sdn. Bhd.	10,500,000	4.14
9.	RHB Nominees (Tempatan) Sdn. Bhd. - Bank Of China (Malaysia) Berhad Pledged Securities Account For Berjaya Corporation Berhad	10,500,000	4.14
10.	Ong Kar Beau	8,577,000	3.38

THIRTY (30) LARGEST SHAREHOLDERS AS AT 29 MAY 2026 (CONT'D)

	Name of Shareholders	No. of Shares Held	%
11.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	8,264,061	3.26
12.	Lembaga Tabung Angkatan Tentera	8,076,500	3.18
13.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Berjaya Corporation Berhad	6,161,000	2.43
14.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. - Exempt an for UOB Kay Hian Pte. Ltd.	5,788,581	2.28
15.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	5,400,000	2.13
16.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Juara Sejati Sdn. Bhd.	5,400,000	2.13
17.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	5,000,000	1.97
18.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Juara Sejati Sdn. Bhd.	5,000,000	1.97
19.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teras Mewah Sdn. Bhd.	4,000,000	1.58
20.	Phoon Ching Heong	3,995,554	1.58
21.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	3,970,000	1.57
22.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teras Mewah Sdn. Bhd.	3,533,000	1.39
23.	Berjaya Equity Nominees (Tempatan) Sdn. Bhd. - Berjaya IPS Credits Sdn. Bhd. for Juara Sejati Sdn. Bhd.	3,500,000	1.38
24.	Berjaya Equity Nominees (Asing) Sdn. Bhd. - Berjaya Philippines Inc.	3,100,000	1.22
25.	RHB Nominees (Tempatan) Sdn. Bhd. - OSK Capital Sdn. Bhd. for Berjaya Corporation Berhad	3,059,000	1.21
26.	Cartaban Nominees (Asing) Sdn. Bhd. - Exempt an for Union Bancaire Privee, UBP SA, Singapore Branch	3,000,000	1.18
27.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Berjaya Corporation Berhad	2,930,000	1.16
28.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheah Yow Fong	2,500,000	0.99
29.	Chew Soo Lin	2,340,834	0.92
30.	RHB Nominees (Tempatan) Sdn. Bhd. - Bank Of China (Malaysia) Berhad Pledged Securities Account For Berjaya IPS Equity Sdn. Bhd.	2,000,000	0.79

LIST OF PROPERTIES

for financial year ended 28 February 2026

	Location	Description	Existing Use	Tenure / Expiry Date	Age of Building Years	Approx Areas Sq Metre	Net Book Value as at 28 February 2026 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 (40), Hotel apartment (29)	18,701.20	36.36	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)	39	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)	33	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 & PT 2209, 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)	28	3,127,220.00	31.41	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)	41	522.00	0.35	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 2026 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)	32	9,474.00	8.07	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)	34	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	39	112.00	0.13	1990
10	Shop Lot No.s 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)	36	59.46	0.20	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)	36	10,116.00	7.64	1990
12	Lot No. 5017, Mukim Kapar, District of Klang, Selangor Darul Ehsan	Industrial premises	Factories, office and ancillary buildings	Freehold	22 - 41	12,140.55	15.28	1982
13	Lot No. PT 54753, Mukim Kapar, District of Klang, Selangor Darul Ehsan	Industrial premises	Factory, office and warehouse	Freehold	22 - 47	24,281.00	13.35	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 2026 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)	28	4,354.00	4.88	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)	10	2,323.04	2.12	2017
17	Lot 15706, Jalan Persiaran HICOM Pegoh 2, Taman Perindustriran HICOM Pegoh, 78000, Alor Gajah, Melaka, Malaysia	Freehold industrial land	Factory	Freehold	7	5,312.95	15.87	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	16	Buildings - 5,256 Land - 121,406	57.20	2023

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh Annual General Meeting ("37th AGM") of Atlan Holdings Bhd. ("Company") will be held at 23rd Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 28 July 2026 at 11:00 a.m. for the following purposes: -

AGENDA

As Ordinary Business: -

1. To receive the Audited Financial Statements for the financial year ended 28 February 2026 together with the Reports of the Directors and Auditors thereon. ***(Please refer to Explanatory Note 2)***

2. To re-elect the following Directors who retire by rotation pursuant to the Company's Constitution and being eligible, have offered themselves for re-election: -

   Regulation 100
   a) Tuan Haji Mohd Jaffar bin Awang (Ismail) ***Resolution 1***
   b) Raja Dato' Sri Shaharudin Shah bin Raja Jalil Shah ***Resolution 2***

   Regulation 107
   a) Sebastian Paul Lim Chin Foo ***Resolution 3***
   b) Nor Shahniza Binti Shahbudin ***Resolution 4***

3. To approve the payment of Directors' fees amounting to RM220,000 for the financial year ended 28 February 2026. ***Resolution 5***

4. To approve the payment of Directors' benefits up to an amount of RM200,000 for the period commencing 29 July 2026 until the date of the next Annual General Meeting of the Company to be held in year 2027. ***Resolution 6***

5. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***Resolution 7***

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.

As Special Business: -

7. **Ordinary Resolution** ***Resolution 8***
   Authority to issue shares pursuant to Companies Act 2016 and Waiver of Pre-emptive Rights

   "**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;

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 Sections 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 9***
Mandate for Tuan Haji Mohd Jaffar bin Awang (Ismail) 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** subject to the passing of Resolution 1, Tuan Haji Mohd Jaffar bin Awang (Ismail), 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 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: 29 June 2026

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 **22 July 2026** ("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 37th AGM.

1.2 A member of the Company entitled to participate and vote at the 37th 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 37th 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.

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 37th 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's Share Registrar not less than twenty-four (24) hours before the time appointed for holding the 37th 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@sshsb.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 2026

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 to 4 : Re-election of Directors who retire by rotation pursuant to 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 every 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.

Regulation 107 of the Company's Constitution states that any Director who is appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the next AGM and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

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.

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.

Having satisfied the Fit and Proper Criteria, the Board approved the NC's recommendation for the re-election of the retiring Directors pursuant to the Company's Constitution at the 37th AGM of the Company. At the relevant Board meeting, all the retiring Directors had 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 5 and 6 : Payment of Directors' fees and Directors' benefits made payable to the Directors

Section 230(1) of the Act provides amongst 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 37th AGM for the payment of benefits payable to the Non-Executive Directors for the period commencing 29 July 2026 until the date of next AGM of the Company to be held in year 2027.

The Board wishes to seek for shareholders' approval at the 37th AGM for the payment of Directors' fees and benefit payable to the Directors: -

i) Resolution 5 on the proposed Directors' fees of RM220,000 for the financial year ended 28 February 2026 ("FY2026").

   For FY2026, the Board had at its meeting held on 29 April 2026 agreed on the proposed Directors' fees of RM220,000 for FY2026. (financial year ended 28 February 2025: RM215,000).

ii) Resolution 6 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 are in the best interest of the Company for the period commencing 29 July 2026 until the next AGM of the Company to be held in the year 2027. The benefits comprise 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 7 : 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.

6) Resolution 8 : Authority to issue shares pursuant to the Act and Waiver of Pre-emptive Rights

The proposed Resolution 8 is to seek 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 17 July 2025 (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 9 : Mandate for Tuan Haji Mohd Jaffar bin Awang (Ismail) to continue to act as INED of the Company

The proposed resolution is to seek shareholders' approval to retain Tuan Haji Mohd Jaffar bin Awang (Ismail) ("Tuan Haji Jaffar") who has served on the Board as an INED for a cumulative term of more than 9 years, as an INED of the Company.

The Board via its NC has conducted an assessment and reviewed the independence of Tuan Haji Jaffar who has served as an INED for a term of more than 9 years. The Board is satisfied with the results and recommends that the resolution be put up for shareholders' approval for Tuan Haji Jaffar to retain as an INED 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 views and in participating in deliberations and decision making of the Board, and
c) His length of service 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 Tuan Haji Jaffar 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 holds and this resolution is to be passed by a simple majority for Ordinary Resolution.

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 37th 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 37th AGM.

Atlan
HOLDINGS BHD
198801005893 (173250-W)

FORM OF PROXY

No. of Ordinary Shares Held	CDS Account No.

Contact No.	Email Address

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**

Full Name (in Block):-	NRIC/Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	**%**
Contact No.:-			
Full Address:-			

*and/or (delete where appropriate)

***Second Proxy**

Full Name (in Block):-	NRIC/Passport No.:-	Proportion of Shareholdings Represented	
		No. of Shares	**%**
Contact No.:-			
Full Address:-			

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-Seventh Annual General Meeting ("37th AGM") of the Company to be held at 23rd Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 28 July 2026 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
AS ORDINARY BUSINESS:			
Resolution 1	Re-election of Tuan Haji Mohd Jaffar bin Awang (Ismail) as Director of the Company		
Resolution 2	Re-election of Raja Dato' Sri Shaharudin Shah bin Raja Jalil Shah as Director of the Company		
Resolution 3	Re-election of Sebastian Paul Lim Chin Foo as Director of the Company		
Resolution 4	Re-election of Nor Shahniza Binti Shahbudin as Director of the Company		
Resolution 5	Payment of Directors' fees		
Resolution 6	Payment of Directors' benefits		
Resolution 7	Re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
AS SPECIAL BUSINESS:			
Resolution 8	Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights.		
Resolution 9	Mandate for Tuan Haji Mohd Jaffar bin Awang (Ismail) 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 37th AGM for the full purpose and intent of the Resolutions to be passed.*

As witness *my/our hand(s) this ____________ day of ____________________, 2026.

COMMON SEAL

____
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* ***22 July 2026*** *("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 37th AGM.*
2. *A member of the Company entitled to participate and vote at the 37th 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 37th 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 37th 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's Share Registrar not less than twenty-four (24) hours before the time appointed for holding the 37th 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@sshsb.com.my or by fax to +603-2094 9940.
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 37th AGM of the Company and any adjournment thereof.

1st Fold Here

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,
161B, JALAN AMPANG,
50450 KUALA LUMPUR, MALAYSIA.

T +603 2179 2000
F +603 2179 2390
https://www.atlan.com.my