



MEGA FORTRIS BERHAD
(Registration No: 199801004408 (460535 - H))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
SECOND QUARTER ENDED 31 DECEMBER 2025

MEGA FORTRIS BERHAD

(Incorporated in Malaysia)

(Registration No: 199801004408 (460535 - H))

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2025^(a)

	Current Quarter 3 Months Ended		Year to date 6 Months Ended	
	31-Dec-2025 Unaudited RM'000	31-Dec-2024 Unaudited RM'000	31-Dec-2025 Unaudited RM'000	31-Dec-2024 Unaudited RM'000
Continuing operations				
Revenue	39,290	55,334	76,965	104,760
Cost of sales	(21,437)	(28,798)	(43,086)	(55,029)
Gross profit	17,853	26,536	33,879	49,731
Other operating income	656	117	1,450	3,776
Net gain/(loss) on impairment of financial assets	1	57	(1)	57
Selling and distribution expenses	(670)	(536)	(1,019)	(942)
Administrative expenses	(14,257)	(13,142)	(27,539)	(26,347)
Other operating expenses	(7)	(5)	(10)	(7)
Finance costs	(1,137)	(1,346)	(2,272)	(2,752)
Core profit before taxation	2,439	11,681	4,488	23,516
Expenses in relation to listing ^(b)	-	(3,402)	-	(3,402)
Profit before taxation	2,439	8,279	4,488	20,114
Taxation	(633)	(2,234)	(1,156)	(4,864)
Profit after taxation for the financial period from continuing operations	1,806	6,045	3,332	15,250
Discontinuing operations^{(c), (d)}				
Profit/(loss) for the financial period from discontinuing operations, net of tax	217	(66)	216	(751)
Profit after taxation for the financial period	2,023	5,979	3,548	14,499
Other comprehensive income, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences	(2,172)	1,759	(2,404)	(3,255)
Total comprehensive income for the financial period	(149)	7,738	1,144	11,244
Profit after taxation attributable to:				
Equity holder of the Company	1,636	5,613	2,751	13,843
Non-controlling interests	387	366	797	656
	2,023	5,979	3,548	14,499

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2025 ^(a) (Cont'd)

	Current Quarter 3 Months Ended		Year to date 6 Months Ended	
	31-Dec-2025 Unaudited RM'000	31-Dec-2024 Unaudited RM'000	31-Dec-2025 Unaudited RM'000	31-Dec-2024 Unaudited RM'000
Total comprehensive income attributable to:				
Equity holder of the Company	(330)	7,297	631	10,543
Non-controlling interests	181	441	513	701
	(149)	7,738	1,144	11,244
Earnings per share attributable to owners of the Company (sen per share)				
- Basic	0.19	0.66	0.33	1.64

Notes:

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A2 of the notes to this interim financial report and should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to the interim financial report.
- (b) A one-off expenses of RM3.4 million incurred in the previous financial period was separately disclosed from Other operating expenses. The normalised results excluding the one-off expenses were disclosed in Note B1.
- (c) Mega Fortris South Africa Pty Ltd ("MFSA") and its subsidiary, was presented as a discontinuing operations following the commitment of the Group to a plan on 30 June 2020 to liquidate the entities. Its subsidiary, Mega Fortris Mzansi (Pty) Ltd, has been liquidated and de-registered from The Companies and Intellectual Property Commission of South Africa in the previous financial year. The liquidation proceeding of MFSA is ongoing as at the end of this financial quarter.
- (d) In the previous financial year, the Board had approved the liquidation of Mega Fortris Load Secure Nordic ("MFLSN"), a dormant company, and the liquidation process was initiated on 26 July 2025. Consequently, MFLSN was presented as a discontinuing operation during the previous financial year. The liquidation proceeding had been completed and MFLSN had been de-registered from Danish Business Authority on 24 November 2025

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ^(a)
AS AT 31 DECEMBER 2025**

	As at 31-Dec-2025 Unaudited RM'000	As at 30-Jun-2025 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	136,279	93,464
Right-of-use assets	24,112	23,935
Intangible assets	5,065	5,162
Other investments	717	717
Deferred tax assets	458	381
	166,631	123,659
Current assets		
Inventories	39,492	34,317
Trade and other receivables	88,506	109,181
Contract assets	22	38
Current tax assets	123	228
Short term investments	30,749	50,892
Cash and bank balances	50,818	41,666
	209,710	236,322
Assets of disposal groups classified as held for sale	270	676
	376,611	360,657
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owner of the Company		
Share capital	131,495	131,495
Reserves	97,165	100,759
Shareholders' equity	228,660	232,254
Non-controlling interests	1,796	1,777
	230,456	234,031
TOTAL EQUITY		

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ^(a)
AS AT 31 DECEMBER 2025 (Cont'd)

	As at 31-Dec-2025 Unaudited RM'000	As at 30-Jun-2025 Audited RM'000
EQUITY AND LIABILITIES (Cont'd)		
LIABILITIES		
Non-current liabilities		
Other payables	359	312
Borrowings	61,755	42,860
Lease liabilities	15,163	16,356
Deferred tax liabilities	2,498	2,502
	<u>79,775</u>	<u>62,030</u>
Current liabilities		
Trade and other payables	21,460	21,854
Contract liabilities	279	426
Borrowings	37,589	35,260
Lease liabilities	5,711	5,340
Current tax liabilities	1,138	1,516
	<u>66,177</u>	<u>64,396</u>
Liabilities of disposal groups classified as held for sale	203	200
TOTAL LIABILITIES	<u>146,155</u>	<u>126,626</u>
TOTAL EQUITY AND LIABILITIES	<u>376,611</u>	<u>360,657</u>
Net assets per share attributable to owners of the Company (RM)	<u>0.27</u>	<u>0.28</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2025**

<-----Attributable to owner of the Company----->

Group	Attributable to owner of the Company						Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger reserve RM'000	Capital reserve RM'000	Revaluation reserve RM'000	Foreign currency translation reserve RM'000	Retained Earnings RM'000			
Balance as at 1 July 2025	131,495	(29,950)	(167)	15,988	7,011	107,877	232,254	1,777	234,031
Profit for the financial period	-	-	-	-	-	2,751	2,751	797	3,548
Other comprehensive income, net of tax	-	-	-	-	(2,120)	-	(2,120)	(284)	(2,404)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(2,120)	2,751	631	513	1,144
Transactions with owner:									
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	(298)	(298)
Dividends paid	-	-	-	-	-	(4,225)	(4,225)	-	(4,225)
Liquidation of a Subsidiary	-	-	-	-	-	-	-	(196)	(196)
Total transactions with owner	-	-	-	-	-	(4,225)	(4,225)	(494)	(4,719)
Balance as at 31 December 2025	131,495	(29,950)	(167)	15,988	4,891	106,403	228,660	1,796	230,456

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Year ended 30 June 2025 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2024**

Group	<-----Attributable to owner of the Company----->					Retained Earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger reserve RM'000	Capital reserve RM'000	Revaluation Reserve RM'000	Foreign currency translation reserve RM'000				
Balance as at 1 July 2024	34,855	(29,950)	(167)	15,988	10,389	93,777	124,892	1,264	126,156
Profit for the financial period	-	-	-	-	-	13,843	13,843	656	14,499
Other comprehensive income, net of tax	-	-	-	-	(3,300)	-	(3,300)	45	(3,255)
Total comprehensive (loss)/income for the financial year	-	-	-	-	(3,300)	13,843	10,543	701	11,244
Transactions with owner:									
Dividends paid to non- controlling interests	-	-	-	-	-	-	-	(140)	(140)
New shares issued by the Company for public issue	99,075	-	-	-	-	-	99,075	-	99,075
New shares issuance expenses for public issue	(2,435)	-	-	-	-	-	(2,435)	-	(2,435)
Total transactions with owner	96,640	-	-	-	-	-	96,640	(140)	96,500
Balance as at 31 December 2024	131,495	(29,950)	(167)	15,988	7,089	107,620	232,075	1,825	233,900

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Year ended 30 June 2025 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2025**

	6 Months Ended 31-Dec-2025 Unaudited RM'000	6 Months Ended 31-Dec-2024 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before taxation	4,488	20,114
Profit/(loss) from discontinued operations before taxation	216	(751)
	<u>4,704</u>	<u>19,363</u>
Adjustments for:		
Bad debts written off:		
- trade receivables	10	6
- other receivables	-	1
Amortisation of intangible assets	86	97
Allowance for impairment losses:		
- trade receivables	1	14
Reversal of impairment losses:		
- trade receivables	-	(71)
Depreciation of property, plant and equipment	1,367	1,074
Depreciation of right-of-use assets	2,457	2,834
Distribution income	(428)	-
Net gain on disposal of property, plant and equipment	(74)	(2,849)
Interest expense	2,272	2,752
Interest income	(238)	(301)
Inventories written off	14	5
Property, plant and equipment written off	98	6
Gain on derecognition upon early termination	-	(3)
(Loss)/Gain on lease reassessment	(52)	238
Net unrealised loss on foreign exchange	618	113
Operating profit before working capital changes	<u>10,835</u>	<u>23,279</u>
Changes in working capital:		
Increase in inventories	(5,247)	(5,079)
Decrease/(Increase) in receivables	21,395	(26,591)
Decrease in contract assets net of liabilities	(123)	(175)
Decrease in payables	(1,894)	(1,417)
Cash from/(used in) operations	<u>24,966</u>	<u>(9,983)</u>
Tax paid	(1,515)	(2,050)
Net cash generated from/(used in) operating activities	<u>23,451</u>	<u>(12,033)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Liquidation of a Subsidiary	(195)	-
Distribution income	428	-
Interest received	238	261
Proceeds from disposal of property, plant and equipment	151	-
Repayment from a former subsidiary	-	5,651

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2025 (Cont'd)**

	6 Months Ended 31-Dec-2025 Unaudited RM'000	6 Months Ended 31-Dec-2024 Unaudited RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (Cont'd)		
Purchases of:		
- property, plant and equipment	(44,364)	(1,989)
- right-of-use assets	(464)	(609)
Net cash (used in)/generated from investing activities	(44,206)	3,314
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,914)	(2,127)
Interest income	-	40
Dividends paid to immediate holding company	(4,224)	-
Dividends paid to non-controlling interest	(298)	(140)
Repayment of bank borrowings	(27,193)	(45,644)
Drawdown of bank borrowings	48,700	38,027
Placement of fixed deposit pledged to a licensed bank	-	(3,392)
Payment of lease liabilities	(3,351)	(1,407)
Payment of share issuance expenses	-	(2,435)
Proceeds from issue of shares	-	99,075
Net cash generated financing activities	11,720	79,965
Net (decrease)/increase in cash and cash equivalents	(9,035)	71,246
Effects of exchange rate differences	(2,079)	(2,189)
Cash and cash equivalents at beginning of financial period	92,951	43,342
Cash and cash equivalents at end of the financial period	81,837	112,399
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	50,818	81,949
Fixed deposit pledged with a licensed bank	-	3,392
Short term investments	30,749	30,028
Bank overdraft	-	(173)
	81,567	115,196
Add: Cash and cash equivalents included in disposal group held for sale	270	595
Less: Fixed deposit pledged with a licensed bank	-	(3,392)
	81,837	112,399

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2025 and the accompanying explanatory notes attached to the interim financial report.

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PART A : NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Corporate Information

Mega Fortris Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

These condensed consolidated interim financial statements were approved by the Board of Directors on 12 February 2026.

A2. Basis of Preparation

The interim financial report of the Company and its subsidiaries (collectively, the “Group”) is unaudited and has been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* and paragraph 9.22 as well as Appendix 9B of the Main Market Listing Requirements of Bursa Securities.

This interim financial report should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2025 and the accompanying explanatory notes attached to this interim financial report.

The interim financial report has been prepared in accordance with the same accounting policies and methods of computation adopted in the Audited Financial Statements for the Financial Year Ended 30 June 2025, except for the following amendments to MFRSs:

A2.1 Adoption of new or amendments to MFRS

During the financial year, the Group has adopted the following interpretations and amendments issued by the Malaysian Accounting Standards Board (“MASB”), which became effective for annual periods beginning on or after 1 January 2025:

- Amendments to MFRS 121 *Lack of Exchangeability*

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

A2.2 New MFRSs and Amendments to MFRSs issued but not yet effective

At the date of authorisation of these interim financial statements, the following new MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group.

Effective for annual financial periods beginning on or after 1 January 2026

- Annual Improvements to MFRS Accounting Standards – Volume 11
- Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*

Effective for annual financial periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*

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A2. Basis of Preparation (Cont'd)

A2.2 New MFRSs and Amendments to MFRSs issued but not yet effective (Cont'd)

At the date of authorisation of these interim financial statements, the following new MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group. (Cont'd)

Deferred to a date to be determined by the MASB

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report for the financial year ended 30 June 2025 of the Group was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The operations and performance of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

During the current financial quarter under review, there were no items or events that arose, which affected assets, liabilities, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A6. Material Changes in Estimates

There were no changes in estimates that may have a material effect on the current financial quarter under review.

A7. Debt and Securities

	Number of ordinary shares '000	Amount RM'000
Issued share capital		
As at 1 July 2025 and 31 December 2025	844,972	131,495

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current quarter under review.

In the previous financial year, the Company had a public issue of 147,873,000 new ordinary shares at the issue price of RM0.67 per issued share in conjunction with the Initial Public Offering ("IPO") of the Company.

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A8. Dividends Paid

The following dividends were paid during the current financial quarter ended:

	Amount RM
Final dividends	
Final dividend in respect of the financial year ended 30 June 2025	
- 0.5 sen single-tier dividend per ordinary shares paid on 10 October 2025	4,224,862

A9. Segmental Information

The Group has arrived at two (2) reportable segments that are organised and managed separately based on information reported internally to the Management and the Board of Directors. The reportable segments are summarised as follows:

- i. **Manufacturing** – Manufacturing and trading of security seals and tamper evident bags
- ii. **Trading** – Trading and wholesale of security seals and tamper evident products
- iii. **Services** – Laboratory and professional services

YTD 31-Dec-2025	Continuing operations		Services RM'000	Discontinuing operations	Total RM'000
	Manufacturing RM'000	Trading RM'000		Trading RM'000	
Revenue					
Total revenue	39,225	61,061	-	-	100,286
Inter-segment revenue	(23,304)	(17)	-	-	(23,321)
Revenue from external customers	15,921	61,044	-	-	76,965
Finance costs	2,129	143	-	-	2,272
Depreciation and amortisation:					
- Property, plant and equipment	1,244	123	-	-	1,367
- Right-of-use assets	1,136	1,321	-	-	2,457
- Intangible assets	85	1	-	-	86
Segment profit before income tax	(466)	5,043	(89)	216	4,704
Taxation	109	1,047	-	-	1,156
Capital expenditure	25,483	18,880	-	-	44,363
Segment assets	242,378	133,182	200	270	376,030
Segment liabilities	118,588	23,712	16	203	142,519

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A9. Segmental Information (Cont'd)

YTD 31-Dec-2024	Continuing operations		Discontinuing operations	Total RM'000
	Manufacturing RM'000	Trading RM'000	Trading RM'000	
Revenue				
Total revenue	71,424	56,684	-	128,108
Inter-segment revenue	(23,852)	-	-	(23,852)
Revenue from external customers	47,572	56,684	-	104,256
Finance costs	2,308	444	-	2,752
Depreciation and amortisation:				
- Property, plant and equipment	945	129	-	1,074
- Right-of-use assets	1,197	1,637	-	2,834
- Intangible assets	96	1	-	97
Segment profit before income tax	16,152	3,962	(751)	19,363
Taxation	(3,502)	(1,362)	-	(4,864)
Capital expenditure	1,733	255	-	1,988
Segment assets	254,198	102,708	595	357,501
Segment liabilities	85,126	33,445	210	118,781

Geographical information

In presenting information on the basis of geographical areas, segment revenue is based on the region and country of operations. The composition of each geographical segment is Asia Pacific, Europe, the United States of America ("USA") and Middle East.

Revenue from external customers	YTD			
	31-Dec-2025 RM'000		31-Dec-2024 RM'000	
Continuing operations				
Asia Pacific	27,480	36%	55,156	53%
Europe	24,822	32%	24,206	23%
USA	19,872	26%	20,429	20%
Middle East	4,791	6%	4,465	4%
	<u>76,965</u>	100%	<u>104,256</u>	100%

A10. Valuation of Property, Plant and Equipment

There was no revaluation of the property, plant and equipment in the current quarter under review.

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A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review, except as stated below:

- (i) On 13 October 2025, the Company became the immediate holding company of Fortris Analytical Services Sdn. Bhd., a newly incorporated subsidiary in Malaysia. The Company holds 60% of the issued paid-up share capital of the subsidiary.

Fortris Analytical Services Sdn. Bhd. is principally engaged in providing laboratory and professional services for post-race and pre-race drug testing services.

The incorporation of this subsidiary is to compliment one of the Group's expansion strategies, to move upstream of the business so as to create a full eco system environment for the customers. The Board does not expect the incorporation of the subsidiary to have a material impact on the Group's earnings for the current financial year.

- (ii) On 24 November 2025, the liquidation of Mega Fortris Load Secure Nordic ("MFLSN") was completed following the approval of the relevant authorities.

Upon completion of the liquidation, MFLSN ceased to be a subsidiary of the Group and was accordingly de-recognised from the consolidated financial statements of the Group. The completion of the liquidation did not result in any material gain or loss to the Group.

The completion of the liquidation has no further financial impact on the Group in the future reporting periods.

A12. Contingent Assets and Liabilities

As at the end of the current financial quarter under review, save as disclosed in Section B10, there are no other contingent assets or contingent liabilities incurred or known to be incurred by the Group, which may, upon becoming enforceable, have material adverse impact on our consolidated statement of financial position or business.

A13. Capital Commitments

The capital commitments of the Group at the end of the reporting period are as follows:

	As at 31-Dec-2025 RM'000	As at 31-Dec-2024 RM'000
Approved and contracted for	28,224	41,952
Approved but not contracted for	74,364	107,875
	<u>102,588</u>	<u>149,827</u>

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A14. Related Party Transactions

	Cumulative Financial Quarter Ended	
	31-Dec-2025	31-Dec-2024
	RM'000	RM'000
Transactions with companies in which certain Directors have substantial financial interests:		
Lease payments made on offices and warehouses	215	221
Income:		
- Sales of goods	31	24
Expenses:		
- Purchase of goods	2,097	1,771
- Electricity costs	4	7
- Purchase of services	101	95

A15. Material Events Subsequent to the Reporting Date

There was no material event subsequent to the end of the current quarter up to the date of the interim financial report.

A16. Fair Value Information

The fair values of financial assets and financial liabilities are determined as follows:

- (a) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities of the Group, such as current portion of trade and other receivables, short-term investments, trade and other payables and borrowings, are reasonable approximation of fair values due to immaterial discounting.

- (b) Non-current trade and other receivables and long-term borrowings

The fair values of these financial instruments are estimated by discounting the expected future cash flows at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

- (c) Investment in keyman insurance contracts

The fair value of the keyman insurance contracts purchased for key management personnel and director of the Group is determined based on the cash surrender value in accordance with the keyman insurance contract which is not an observable input. The fair value is categorised as Level 3 in fair value hierarchy.

The unobservable input is the cash surrender value quoted by the insurance company according to the keyman insurance contract. When the cash surrender value is higher, the fair value of the keyman insurance contract will be higher.

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PART B : NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

B1.1 Review of Current Quarter Performance versus Corresponding Last Year (2026-Q2 vs 2025-Q2)

	3 months ended		Movement	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	RM'000	%
<u>Continuing operations</u>				
Revenue	39,290	55,334	-16,044	-29.0
Cost of Sales	(21,437)	(28,798)	-7,361	-25.6
Gross Profit	17,853	26,536	-8,683	-32.7
Other operating income	656	117	539	460.7
Profit from operations	18,509	26,653	-8,144	-30.6
Net gain on impairment of financial assets	1	57	-56	-98.2
Selling and distribution expenses	(670)	(536)	134	25
Administrative expenses	(14,257)	(13,142)	1,115	8.5
Other operating expenses	(7)	(5)	2	40.0
Finance cost	(1,137)	(1,346)	-209	-15.5
Core profit before taxation	2,439	11,681	-9,242	-79.1
Expenses related to listing *	-	(3,402)	-3,402	-100.0
Profit before taxation	2,439	8,279	-5,840	-70.5
Taxation	(633)	(2,234)	-1,601	-71.7
Profit after taxation	1,806	6,045	-4,239	-70.1
GP %	45.4%	48.0%		-5.4
PBT %	6.2%	15.0%		-58.7
PAT %	4.6%	10.9%		-57.8

* This represents the remaining IPO listing expenses after accounting for the share issuance expenses recorded under equity.

The Group recorded revenue of RM39.3 million, gross profit of RM17.9 million and profit before taxation of RM2.4 million for the current quarter ended 31 December 2025. The GP % reported at 45.4% while the PBT % and PAT % stood at 6.2% and 4.6% respectively.

Compared to corresponding last year quarter ended 31 December 2024, the reduction in revenue for the current quarter ended 31 December 2025 was caused by the creeping impact of the trade tariffs, war and political issues resulted in global market slowing down. The strengthen of Malaysia Ringgit (MYR) against various foreign currencies mainly United States Dollar (USD) has also affected the performance and financial position of the Group.

The reduction in revenue resulted in a lower gross profit margin, which in turn led to a decrease in profit before tax for the current quarter ended 31 December 2025, as compared to corresponding last year quarter ended 31 December 2024.

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B1. Review of Group Performance (Cont'd)

B1.2 Review of Current Cumulative Quarter Performance versus Corresponding Last Year Cumulative Quarter Performance (FY2026-6M vs FY2025-6M)

	6 months ended		Movement	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	RM'000	%
<u>Continuing operations</u>				
Revenue	76,965	104,760	-27,795	-26.5
Cost of Sales	(43,086)	(55,029)	-11,943	-21.7
Gross Profit	33,879	49,731	-15,852	-31.9
Other operating income	1,450	3,776	-2,326	-61.6
Profit from operations	35,329	53,507	-18,178	-34.0
Net (loss)/gain on impairment of financial assets	(1)	57	-58	-101.8
Selling and distribution expenses	(1,019)	(942)	77	8.2
Administrative expenses	(27,539)	(26,347)	1,192	4.5
Other operating expenses	(10)	(7)	3	42.9
Finance cost	(2,272)	(2,752)	-480	-17.4
Core profit before taxation	4,488	23,516	-19,028	-80.9
Expenses in relation to listing *	-	(3,402)	-3,402	-100.0
Profit before taxation	4,488	20,114	-15,626	-77.7
Taxation	(1,156)	(4,864)	-3,708	-76.2
Profit after taxation	3,332	15,250	-11,918	-78.2
GP %	44.0%	47.5%		-7.4
PBT %	5.8%	19.2%		-69.8
PAT %	4.3%	14.6%		-70.5

* This represents the remaining IPO listing expenses after accounting for the share issuance expenses recorded under equity.

The Group recorded revenue for the current cumulative quarter ended 31 December 2025 of RM77.0 million, gross profit of RM33.9 million and profit before taxation of RM4.5 million. The GP % reported at 44.0% while the PBT % and PAT % stood at 5.8% and 4.3% respectively.

Compared to corresponding last year cumulative quarter ended 31 December 2024, the reduction in revenue for the current cumulative quarter ended 31 December 2025 was caused by the creeping impact of the trade tariffs, war and political issues resulted in global market slowing down. The strengthen of Malaysia Ringgit (MYR) against various foreign currencies mainly United States Dollar (USD) has also affected the performance and financial position of the Group.

The reduction in revenue resulted in a lower gross profit margin, which in turn led to a decrease in profit before tax for the current cumulative quarter ended 31 December 2025, as compared to corresponding last year cumulative quarter ended 31 December 2024.

B2. Comparison with Immediate Preceding Quarter's Results (FY2026-Q2 vs FY2026-Q1)

	3 months ended		Movement	
	31-Dec-2025 RM'000	30-Sep-2025 RM'000	RM'000	%
<u>Continuing operations</u>				
Revenue	39,290	37,675	1,615	4.3
Cost of Sales	(21,437)	(21,649)	-212	-1.0
Gross Profit	17,853	16,026	1,827	11.4
Other operating income	656	794	-138	-17.4
Profit from operations	18,509	16,820	1,689	10.0
Net loss on impairment of financial assets	1	(2)	3	150.0
Selling and distribution expenses	(670)	(349)	321	92.0
Administrative expenses	(14,257)	(13,282)	975	7.3
Other operating expenses	(7)	(3)	4	133.3
Finance cost	(1,137)	(1,135)	2	0.2
Profit before taxation	2,439	2,049	390	19.0
Taxation	(633)	(523)	110	21.0
Profit after taxation	1,806	1,526	280	18.3
GP %	45.4%	42.5%		6.8
PBT %	6.2%	5.4%		14.8
PAT %	4.6%	4.1%		12.2

The Group's revenue for the current quarter ended 31 December 2025 increased by RM1.6 million or approximately 4.3% to RM39.3 million compared to the preceding quarter ended 30 September 2025. The Group is showing recovery after the impact of uncertainties that had arose from the trade tariffs, war and political issues.

The gross profit and gross profit margin of the Group for the current quarter ended 31 December 2025 increased by RM1.8 million and 11.4%, respectively. The Group recorded gross profit margin of 45.4% in the current quarter ended 31 December 2025 and 42.5% in the preceding quarter ended 30 September 2025. The increase in gross profit and gross profit margin was mainly driven by the higher revenue in the current quarter.

Profit before tax of the Group for the current quarter increased by 19.0% from RM2.0 million in the preceding quarter ended 30 September 2025 to RM2.4 million in the current quarter ended 31 December 2025. This was mainly due to the increase in revenue and gross profit.

The Group's profit after tax for the current quarter ended 31 December 2025 increased by RM0.3 million or approximately 18.3% to RM1.8 million compared to the preceding quarter ended 30 September 2025. This increase was primarily due to the factors explained above.

B3. Prospects for the Group for the Financial Year Ending 30 June 2026

The Group enters FYE 2026 with strong fundamentals across our end-markets and a clearer pathway to becoming a total security solution provider. In mission-critical supply chains such as aviation, logistics, pharmaceuticals, cold chain, petrochemicals and regulated retail, tamper evidence and traceability are non-discretionary. Customers are asking for shorter lead times, stronger audit trails, and lower lifecycle impact, which aligns with our direction: trusted hardware anchored in quality manufacturing, layered with software, data and services that secure the full chain of custody from source to disposal.

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B3. Prospects for the Group for the Financial Year Ending 30 June 2026 (Cont'd)

Targeted and actionable strategies are in place to support strong organic expansion across our global subsidiaries. Additionally, our strategy will encompass cross-selling advancements in our subsidiaries brought about by our deepened analytical frameworks that will power our ability to scale regional multinational customers into global accounts serviced by all our subsidiaries. We are investing in our people to broaden our market reach, deepen technical expertise, and align leadership capacity with the next stage of scale. The expansion of our commercial resources will support our expected strong organic growth.

Commissioning the UK facility remains a near-term priority, planned in two phases. In the first phase, a centralised warehouse and distribution centre with a marking facility will be established, followed by the setup of an automated production facility in the second phase. This facility will service our customers in various regions including Europe, the Americas, the Middle East, and Africa and will work in conjunction with our Malaysian operations to optimise production planning, reduce lead times, minimise logistics costs, as well as improve the overall supply chain. With the UK facility coming onstream, we will enhance our competitive advantage through regional fulfilment and increase on-hand product availability, unlocking new commercial opportunities and improving service responsiveness.

In line with its product innovation roadmap, the Group plans to launch a new integrated product solution in 2026 aimed at enhancing operational performance and customer experience. This initiative reinforces the Group's focus on developing high-value, technology-driven products that deliver efficiency, scalability, and reliability. It also positions the group to capture new opportunities and strengthen its competitive advantage in core markets.

Collectively, these developments signal the Group's shift from investment to execution, transforming strategic groundwork into operational performance and embedding the next phase of disciplined, organic growth.

The Group remains vigilant and will take necessary measures to meet the challenges ahead. While geopolitical, macroeconomic, currency and commodity related headwinds are expected to persist, the Group will continue to prioritise operational efficiencies, disciplined cost management to strengthen resilience and support sustainable long term value creation. The Group expects the financial performance for the financial year ending 2026 to be satisfactory.

B4. Variance of Actual Profit from Profit Forecast

The Group did not issue nor publish any profit forecast or profit guarantee in any form of public documentation and announcement in relation to the current financial quarter under review.

B5. Profit Before Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 6 Months ended	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
After charging:				
Amortisation of intangible assets	39	46	86	97

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B5. Profit Before Taxation (Cont'd)

	Current Quarter 3 Months ended		Cumulative Quarter 6 Months ended	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
After charging (Cont'd):				
Bad debts written off:				
- trade receivables	7	5	10	6
- other receivables	-	-	-	1
Depreciation of property, plant and equipment	753	509	1,367	1,074
Depreciation of right-of-use assets	1,279	1,506	2,457	2,834
Fair value adjustment	-	1	-	1
Impairment losses on:				
- trade receivables	(1)	14	1	14
Interest expenses	1,137	1,346	2,272	2,752
Inventories written off	(2)	-	14	5
Lease expenses:				
- low value assets	28	11	56	21
- short-term assets	46	284	160	587
Loss on foreign exchange:				
- realised	211	895	746	1,577
- unrealised	874	(166)	618	113
Property, plant and equipment written off	-	-	98	6
And crediting:				
Distribution income	(146)	(76)	(428)	(76)
Interest income	(110)	(187)	(238)	(301)
Rental income	(151)	-	(189)	(41)
Reversal of impairment losses on:				
- trade receivables	-	(71)	-	(71)
Net gain on disposal of property, plant and equipment	(74)	401	(74)	(2,849)

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B6. Taxation

	Current Quarter 3 Months ended		Cumulative Quarter 6 Months ended	
	31-Dec-2025 RM'000	31-Dec-2024 RM'000	31-Dec-2025 RM'000	31-Dec-2024 RM'000
Continuing operations:				
Malaysian income tax:				
Current period	(90)	2,010	209	4,053
Over provision in prior period	-	-	(15)	-
	(90)	2,010	194	4,053
Foreign income tax:				
Current period	722	248	1,119	942
Over provision in prior period	1	(24)	(72)	(24)
	723	224	1,047	918
Deferred tax:				
Current period	-	-	-	-
Over provision in prior period	-	-	(85)	(107)
	-	-	(85)	(107)
	<u>633</u>	<u>2,234</u>	<u>1,156</u>	<u>4,864</u>
Effective tax rate (%) ^(a)	26.0%	27.0%	25.8%	24.2%

Note:

- (a) The effective tax rate for the current quarter ended 31 December 2025 and 31 December 2024 were 26.0% and 27.0%, respectively, which is slightly higher than the statutory tax rate of 24.0%, mainly due to different tax rates in different countries where the subsidiaries were incorporated.

B7. Status of Corporate Proposals

There were no new proposals made for the quarter under review.

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B8. Utilisation of Proceeds from the Public Issue

The status of utilisation of proceeds from the public issue as at 31 December 2025 is as follows:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated time frame for utilisation upon Listing RM'000
Capital expenditures:				
- new production facilities for security seals in United Kingdom	42,980	(38,034)	4,946	36 months
- new business in providing total solution in supplying and handling of playing cards in sealed security boxes in Macao	45,000	-	45,000	36 months
Estimated listing expenses	11,095	(11,095)	-	Immediate
	<u>99,075</u>	<u>(49,129)</u>	<u>49,946</u>	

Pending the eventual utilisation of the proceeds from our Public Issue for the above intended purposes, we had placed the balance of the proceeds raised (including accrued interest, if any) in interest-bearing accounts with licensed financial institutions in Malaysia and/or money market deposit instruments / funds.

The use of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 21 October 2024.

On 6 January 2026, an announcement has been made that the Company proposes to vary the allocation of gross proceeds raised from its initial public offering on 11 November 2024. The Proposed Variation entails the Group to vary the use of RM45.0 million of the IPO Proceeds that was earmarked for the capital expenditure for a new business in providing total solution in supplying and handling of playing cards in sealed security boxes in Macao. Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Variation is expected to be completed by the first quarter of 2026. Please refer to the announcement made on 6 January 2026 for the details of the Proposed Variation.

The Company is currently seeking for shareholders' approval on the Proposed Variation.

B9. Group Borrowings

	As at 31-Dec-2025 RM'000	As at 30-Jun-2025 RM'000
Non-current liabilities		
Secured:		
Term loans	61,755	42,860
	<u>61,755</u>	<u>42,860</u>
	As at 31-Dec-2025 RM'000	As at 30-Jun-2025 RM'000
Current liabilities		
Secured:		
Revolving credits	17,000	17,000
Banker's acceptance	16,490	14,644
Term loans	4,099	3,333
Bank overdrafts	-	283
	<u>37,589</u>	<u>35,260</u>
	As at 31-Dec-2025 RM'000	As at 30-Jun-2025 RM'000
Total borrowings		
Secured:		
Revolving credits	17,000	17,000
Banker's acceptance	16,490	14,644
Term loans	65,854	46,193
Bank overdrafts	-	283
	<u>99,344</u>	<u>78,120</u>

The Group's borrowings in Ringgit Malaysia ("RM") equivalent analysed by currency are as follows:

	As at 31-Dec-2025 RM'000	As at 30-Jun-2025 RM'000
Ringgit Malaysia	<u>99,344</u>	<u>78,120</u>

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B10. Material Litigations

As of the date of this interim financial report, save as disclosed below, there is no material litigation or arbitration that could significantly affect the financial position of the Group, and the Board of Directors is not aware of any pending proceedings or any circumstances likely to lead to such proceedings.

High Court Suit No. WA-22NCvC-578-10/2025 between Whatman Capital Pte. Ltd. (as plaintiff) and our Company, Ng Meng Kee and Ng Meng Poh (as defendants)

On 6 October 2025, our Company was served with a Writ of Summons (“Writ”) and Statement of Claim (“SOC”), both dated 1 October 2025 in respect of legal proceedings commenced by Whatman Capital Pte. Ltd. (“Whatman Capital”) claiming for alleged “success fees” and related sums purportedly arising from alleged arrangements in connection with our IPO, under which, our Company, Ng Meng Kee and Ng Meng Poh are named as the defendants.

The alleged reliefs sought by Whatman Capital against our Company in its Writ and SOC, are, among others, payment of the principal sum of RM4,958,240.00, with costs and interest at the rate of 5% per annum on the claim sum from the date of SOC to the date of full and final settlement.

On 17 November 2025, we had filed our defence and counterclaim against Whatman Capital’s claim, seeking, among others, restitution of sums in the amount of RM4,446,296.36. Whatman Capital subsequently filed its reply, denying all statements of fact and allegations contained in our defence and counterclaim.

We had, on 11 December 2025, filed: (i) a striking out application; and (ii) application for security for costs respectively against Whatman Capital. Following a case management held on 27 January 2026, we had subsequently served our affidavits for both applications on Whatman Capital. Both applications are fixed for a further case management on 10 February 2026.

On 10 February 2026, the Court was updated on our affidavits for both applications on Whatman Capital and the Court has fixed the next case management on 27 February 2026 for further directions.

In consultation with our solicitors, our Company is of the view that there are reasonably good prospects in respect of our Company’s defence and counterclaim.

B11. Dividend

The Board of Directors does not recommend any dividend in respect of the reporting quarter and financial period-to-date.

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B12. Earnings Per Share ^(a)

B12.1 Basic Earnings per Share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding as follows:

	Current Quarter Ended		Cumulative Financial Quarter Ended	
	31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
Profit attributable to owners of the Company (RM'000)	1,636	5,613	2,751	13,843
Weighted average number of ordinary shares ('000)	<u>844,972</u>	<u>844,972</u>	<u>844,972</u>	<u>844,972</u>
	<u>0.19</u>	<u>0.66</u>	<u>0.33</u>	<u>1.64</u>

B12.2 Diluted Earnings Per Share

There is no effect of dilution for the current quarter and financial period-to-date.

Notes:

- (a) The basic earnings per share ("EPS") is computed based on the profit attributable to owners of the Company for the period divided by the weighted average number of ordinary shares in issue after the completion of Public Issue. Diluted earnings per ordinary shares for the financial period is calculated by dividing the profit for the financial period attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

B13. Comparative Figures

Certain comparative figures have been reclassified to conform with current quarter's/period's presentation.

By Order of the Board of Directors
Company Secretary
12 February 2026