



**ATLAN HOLDINGS BHD
ANNOUNCEMENT TO BURSA MALAYSIA
FOR THE QUARTER ENDED 29 FEBRUARY 2016**

ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED) FOR THE QUARTER ENDED 29 FEBRUARY 2016

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000
Revenue	9	195,566	203,124	768,058	730,655
Operating expenses		(170,645)	(172,176)	(684,720)	(646,321)
Other operating income		6,415	1,967	24,638	22,469
Operating profit		31,336	32,915	107,976	106,803
Depreciation and amortisation		(4,181)	(4,646)	(17,397)	(17,557)
Finance costs		(1,741)	(1,656)	(7,225)	(6,982)
Share of results of an associate		2	42	39	(50)
Profit before taxation	9, 17	25,416	26,655	83,393	82,214
Taxation	18	(9,102)	(7,919)	(27,029)	(26,248)
Profit for the period		16,314	18,736	56,364	55,966
Attributable to:					
Equity holders of the parent		11,825	14,642	43,084	46,467
Non-controlling interests		4,489	4,094	13,280	9,499
		16,314	18,736	56,364	55,966
Earnings per share attributable to equity holders of the parent (sen)					
- Basic	25	4.66	5.77	16.99	18.32

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial statements.

ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER ENDED 29 FEBRUARY 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Ended	Ended	Ended	Ended
	29-Feb-16	28-Feb-15	29-Feb-16	28-Feb-15
	RM'000	RM'000	RM'000	RM'000
Profit for the period, representing total comprehensive income for the period	<u>16,314</u>	<u>18,736</u>	<u>56,364</u>	<u>55,966</u>
Total comprehensive income attributable to:				
Equity holders of the parent	11,825	14,642	43,084	46,467
Non-controlling interests	<u>4,489</u>	<u>4,094</u>	<u>13,280</u>	<u>9,499</u>
	<u>16,314</u>	<u>18,736</u>	<u>56,364</u>	<u>55,966</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial statements.

ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 29 FEBRUARY 2016

	Note	As at 29-Feb-16 RM'000	(Audited) As at 28-Feb-15 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		143,844	145,108
Investment properties		39,066	42,641
Land use rights		22,770	23,220
Biological assets		5,100	4,800
Goodwill		27,408	27,408
Investment in associates		544	505
Other investments		130	131
Prepayments		59,050	68,831
Deferred tax assets		948	1,063
		<u>298,860</u>	<u>313,707</u>
CURRENT ASSETS			
Inventories		331,908	206,816
Trade and other receivables		84,316	94,122
Prepayments		12,260	12,271
Tax recoverable		4,753	5,117
Marketable securities		9	79
Derivative assets		-	168
Cash and bank balances		84,185	110,381
		<u>517,431</u>	<u>428,954</u>
TOTAL ASSETS		<u>816,291</u>	<u>742,661</u>

ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 29 FEBRUARY 2016 (CONT'D)

	Note	As at 29-Feb-16 RM'000	(Audited) As at 28-Feb-15 RM'000
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		172,556	115,351
Derivative liabilities		1,632	-
Provisions		14,296	12,540
Employee benefits		302	342
Dividends payable		-	205
Tax payable		8,146	3,900
Borrowings	21	49,152	94,235
		<u>246,084</u>	<u>226,573</u>
Net current assets		<u>271,347</u>	<u>202,381</u>
NON-CURRENT LIABILITIES			
Employee benefits		6,982	6,566
Deferred tax liabilities		6,498	7,347
Borrowings	21	68,428	16,858
		<u>81,908</u>	<u>30,771</u>
TOTAL LIABILITIES		<u>327,992</u>	<u>257,344</u>
NET ASSETS		<u>488,299</u>	<u>485,317</u>

ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 29 FEBRUARY 2016 (CONT'D)

	Note	As at 29-Feb-16 RM'000	(Audited) As at 28-Feb-15 RM'000
EQUITY AND LIABILITIES (CONT'D)			
EQUITY			
Equity attributable to owners of the parent			
Share capital		253,650	253,650
Share premium		102,878	102,878
Currency translation reserve		(214)	(214)
Other reserve		(32,560)	(32,567)
Retained earnings	19	73,278	74,583
		<u>397,032</u>	<u>398,330</u>
Non-controlling interests		91,267	86,987
TOTAL EQUITY		<u>488,299</u>	<u>485,317</u>
TOTAL EQUITY AND LIABILITIES		<u>816,291</u>	<u>742,661</u>
Net assets per share attributable to owners of the parent (RM)		<u>1.57</u>	<u>1.57</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial statements.

ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

	← Attributable to Owners of the Parent →					Total RM'000	Non- controlling Interests ("NCI") RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000			
At 1 March 2014	253,650	102,878	(214)	(28,922)	116,894	444,286	94,984	539,270
Total comprehensive income for the period	-	-	-	-	46,467	46,467	9,499	55,966
Transactions with owners:								
Changes of equity interest in a subsidiary	-	-	-	(3,977)	-	(3,977)	(860)	(4,837)
Transactions with non-controlling interests	-	-	-	332	-	332	(3,064)	(2,732)
Dividends on ordinary shares	-	-	-	-	(88,778)	(88,778)	-	(88,778)
Dividend paid to NCI by a subsidiary	-	-	-	-	-	-	(13,572)	(13,572)
At 28 February 2015	253,650	102,878	(214)	(32,567)	74,583	398,330	86,987	485,317
At 1 March 2015	253,650	102,878	(214)	(32,567)	74,583	398,330	86,987	485,317
Total comprehensive income for the period	-	-	-	-	43,084	43,084	13,280	56,364
Transactions with owners:								
Changes of equity interest in a subsidiary	-	-	-	7	-	7	-	7
Dividends on ordinary shares *	-	-	-	-	(44,389)	(44,389)	-	(44,389)
Dividend paid to NCI by subsidiary	-	-	-	-	-	-	(9,000)	(9,000)
At 29 February 2016	253,650	102,878	(214)	(32,560)	73,278	397,032	91,267	488,299

* Dividends in respect of financial year ended 29 February 2016

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 28 February 2015 and the accompanying explanatory notes attached to the interim financial statements.

ATLAN HOLDINGS BHD*(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED 29 FEBRUARY 2016**

	12 MONTHS ENDED	
	29-Feb-16	28-Feb-15
	RM'000	RM'000
Operating activities		
Profit before taxation	83,393	82,214
Adjustments for:		
Bad debts written off	8	56
Changes in fair value of marketable securities	472	707
Changes in fair value of biological assets	(300)	-
Depreciation and amortisation	17,397	17,557
Employee benefits	639	790
Gain on disposal of assets	(476)	(2,576)
Interest expense	7,225	6,982
Interest income	(5,264)	(5,302)
Inventories written back	(1,003)	-
Inventories written off	256	210
Inventories written down	800	432
Impairment losses on receivables	381	17
Property, plant and equipment written off	111	209
Reversal of impairment losses on assets	(302)	(6,185)
Reversal of provision	-	(547)
Reversal of impairment losses on receivables	(275)	(964)
Unrealised loss/(gain) on foreign exchange (net)	10,815	(319)
Waiver of debts	-	132
Share of results of an associate	(39)	50
Operating cash flows before changes in working capital	113,838	93,463
Changes in working capital	(62,360)	100,104
Cash flows generated from operations	51,478	193,567
Tax paid	(23,153)	(32,411)
Employee benefits paid	(262)	(284)
Net cash flows from operating activities	28,063	160,872
Investing activities		
Acquisition of assets	(10,314)	(12,370)
Interest received	5,264	5,302
Balance carried forward	(5,050)	(7,068)

ATLAN HOLDINGS BHD*(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED 29 FEBRUARY 2016 (CONT'D)**

	12 MONTHS ENDED	
	29-Feb-16	28-Feb-15
	RM'000	RM'000
Investing activities (cont'd.)		
Balance brought forward	(5,050)	(7,068)
Proceeds from disposal of:		
- assets classified as held for sale	-	3,650
- marketable securities	-	26
- property, plant and equipment	683	1,369
- a subsidiary	-	8,240
- proposed disposals	7,500	-
Proceeds from exercise of warrants in a subsidiary by non-controlling interests	7	1
Repurchase of shares by a subsidiary	-	(4,838)
Net cash flows generated from investing activities	<u>3,140</u>	<u>1,380</u>
Financing activities		
Increase in pledged fixed deposits	(245)	(360)
Dividends paid to non-controlling interests of subsidiaries	(9,205)	(18,420)
Dividends paid to ordinary shareholders of the Company	(44,389)	(139,508)
Interest paid	(7,225)	(6,982)
Proceeds from borrowings	60,000	20,000
Repayment of borrowings	(55,463)	(28,767)
Repayment of obligations under finance leases	(1,097)	(761)
Net cash flows used in financing activities	<u>(57,624)</u>	<u>(174,798)</u>
Net decrease in cash and cash equivalents	(26,421)	(12,546)
Cash and cash equivalents at beginning of the period	<u>97,145</u>	<u>109,691</u>
Cash and cash equivalents at end of the period	<u>70,724</u>	<u>97,145</u>
Cash and cash equivalents at end of financial period comprise the following:		
Cash and bank balances	84,185	110,381
Less: Pledged deposits	(13,461)	(13,216)
	<u>70,724</u>	<u>97,165</u>
Bank overdraft	-	(20)
	<u>70,724</u>	<u>97,145</u>

The Condensed Consolidated Cash Flows Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2015 and the accompanying notes attached to the interim financial statements.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 28 February 2015. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 28 February 2015.

The interim financial statements have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

2. Summary of Significant Accounting Policies

(i) Changes in Accounting Policies

The significant accounting policies adopted in preparing this condensed financial report are consistent with those of the audited financial statements for the year ended 28 February 2015, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 March 2015:

- Amendments to MFRS 119: Defined Benefits Plans: Employee Contributions
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
 ENDED 29 FEBRUARY 2016**

2. Summary of Significant Accounting Policies (cont'd.)

(ii) Standards Issued But Not Yet Effective

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

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 107 Statement of Cash Flows	1 January 2017
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 16 Leases	1 January 2019

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application, other than for Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141), MFRS 15 Revenue from Contracts with Customers and MFRS 9 Financial Instruments. The Group is in the process of assessing the financial implications of MFRS 9, Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141) and MFRS 15 Revenue from Contracts with Customers.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 28 February 2015 was not qualified.

4. Comments About Seasonal or Cyclical Factors

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

5. Unusual Items Due to their Nature, Size or Incidence

Except for the weakened Malaysian Ringgit against foreign currencies that had resulted in an incurrence of net foreign exchange loss of RM2.3 million in current quarter and RM9.5 million in cumulative quarter, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial quarter ended 29 February 2016.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 29 February 2016.

8. Dividends Paid and Distributed

On 8 May 2015, the Company declared a first interim single tier ordinary dividend of 10 sen per share in respect of the financial year ending 29 February 2016 amounting to RM25.4 million which was paid on 8 June 2015.

On 1 October 2015, the Company declared a second interim single tier ordinary dividend of 7.50 sen per share in respect of the financial year ending 29 February 2016 amounting to RM19.0 million which was paid on 30 October 2015.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

9. Segmental Information

	Individual Quarter		Cumulative Quarter	
	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000
Segment Revenue				
Duty free	162,548	159,732	603,915	559,444
Automotive	26,405	35,963	132,495	134,273
Property and hospitality	7,470	7,100	31,644	35,630
Investment holding	3,717	44,389	97,547	139,406
Others	2,351	1,144	7,335	6,990
	<u>202,491</u>	<u>248,328</u>	<u>872,936</u>	<u>875,743</u>
Eliminations	(6,925)	(45,204)	(104,878)	(145,088)
Group revenue	<u>195,566</u>	<u>203,124</u>	<u>768,058</u>	<u>730,655</u>
Segment Results				
Duty free	30,693	20,774	91,025	71,407
Automotive	(49)	2,684	5,901	10,108
Property and hospitality	786	6,044	8,032	15,159
Investment holding	(671)	(1,835)	(8,779)	(6,493)
Others	(5,343)	(1,012)	(12,786)	(7,967)
Profit before taxation	<u>25,416</u>	<u>26,655</u>	<u>83,393</u>	<u>82,214</u>

The Group comprises the following main business segments:

- (i) Duty free – trading of duty free goods and non-dutiable merchandise;
- (ii) Automotive – manufacturing and marketing of automotive parts;
- (iii) Property and hospitality – property development, property management and hotel operations;
- (iv) Investment holding; and
- (v) Others – provision of corporate services, dormant and inactive companies.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

9. Segmental Information (cont'd.)

Segment Revenue

- (a) Duty free segment recorded higher revenue in current quarter and cumulative quarter current year as compared to the corresponding quarter and cumulative quarter in the previous year was mainly due to an increase in demand and higher selling prices for certain products as well as contributions from seven new outlets at Kuala Lumpur International Airport 2 (“KLIA 2”), which commenced operations during this financial year under review.
- (b) The revenue in the Automotive segment in current quarter and cumulative quarter current year were both lower than corresponding quarter and cumulative quarter in the previous year mainly due to lower orders received from its customers.
- (c) The revenue in the Property and hospitality segment in the current quarter in current year was comparable with the corresponding quarter in the previous year. However, the revenue for cumulative quarter was lower than the cumulative quarter in the previous year mainly due to lower revenue reported from a subsidiary from its property development activities.
- (d) The revenue in the Investment holding segment mainly relates to interest income and dividend income from subsidiaries in the Group which were eliminated at Group level. The lower revenue in the current quarter and cumulative quarter current year as lower dividend income received from subsidiaries in the Group as compared to the corresponding quarter and cumulative quarter in the previous year.
- (e) The revenue in the Others segment mainly relates to management fee from companies in the Group which were eliminated at Group level.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

9. Segmental Information (cont'd.)

Segment Results

- (a) In the Duty free segment, the current quarter's profit and cumulative quarter was higher as compared to the corresponding quarter and cumulative quarter in the previous year in tandem with the increase in revenue as mentioned above. However, the favourable impact of the improved performance was partially offset by net loss in foreign exchange as a result of the weakened Malaysian Ringgit, higher rental and higher employee benefits expenses.
- (b) In the Automotive segment, the profit for the current quarter and cumulative quarter current year were significantly lower than corresponding quarter and cumulative quarter in the previous year mainly due to lower revenue reported as a result of lower orders received from its customers as mentioned above coupled with foreign exchange losses incurred as a result of the weakened Malaysian Ringgit against the foreign currencies.
- (c) In the Property and hospitality segment, the profit for the current quarter and cumulative quarter was lower than corresponding quarter and cumulative quarter in the previous year mainly due to lower revenue reported from a subsidiary from its property development activities as mentioned above.
- (d) In the Investment holding segment, the losses in the current quarter in current year was lower than corresponding quarter in the previous year mainly due to lower operating expenses incurred.

The losses in the cumulative quarter was higher as compared to the cumulative quarter in the previous year mainly due to higher expenses incurred in relation to professional fees of RM2.5 million for corporate exercises.

- (e) In the Others segment, the losses in the current quarter and cumulative quarter current year were higher than the corresponding quarter and cumulative quarter in the previous year mainly due to higher expenses and foreign exchange losses incurred as a result of the weakened Malaysian Ringgit against the foreign currencies.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

10. Significant and Subsequent Events

- (a) On 4 December 2015, an announcement was made by a subsidiary of the Company, Duty Free International Limited (“DFIL”) to notify all holders of warrants in DFIL (“Warrants”) in relation to procedure for exercise of Warrants and the expiry of Warrants on 6 January 2016. After the close of business on 6 January 2016, all subscription rights under the Warrants had lapsed and every Warrants thereafter had ceased to be valid for any purpose whatsoever.

For the year ended 29 February 2016, there was an exercise of warrants, by non-controlling shareholders, amounting 6,746 shares. Following the exercise of warrants, the total number of issued and paid-up ordinary shares of DFIL has increased from 1,099,843,647 shares to 1,099,850,393 shares, excluding treasury shares.

The Company’s holding in DFIL remained at 82.29% as at 29 February 2016.

- (b) On 9 December 2015 and 19 February 2016 respectively, the Board of the Company announced that its following dormant subsidiaries have applied to Registrar of Company for strike-off :
- i) International Aviation Consultants Sdn Bhd
 - ii) RZ Equities Sdn Bhd
 - iii) TRIM Capital Management (M) Sdn Bhd
 - iv) Naluri Corporation Sdn Bhd

- (c) On 25 February 2016, an announcement was made by a subsidiary of the Company, DFIL in relation to the issuance of an aggregate of 39,000,000 new ordinary shares in the capital of DFIL (“Subscription Shares”) at an issue price of S\$0.32 for each Subscription Share (“Subscription”), representing approximately 3.55% of the total number of issued ordinary shares of DFIL. On 7 March 2016, 39,000,000 new ordinary shares were issued and allotted to the Subscribers pursuant to the Subscription. Subsequent to the completion of the issuance of Subscription Shares on 7 March 2016, the Subscription Shares were then listed and quoted on the Catalist Board of the SGX-ST.

As a consequence of the issuance of Subscription Shares, the Company’s holding in DFIL was diluted to 79.47% as at 7 March 2016 from 82.29% as at 29 February 2016.

DFIL had, on 24 March 2016, placed out an aggregate of 5,500,000 treasury shares in the capital of DFIL (“Placement Shares”), at a placement price of S\$0.32 for each Placement Shares (“Placement”). The Placement Shares were undertaken by way of private placement in accordance with Section 272 B of the Securities and Future Act (Chapter 289) of Singapore.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

10. Significant and Subsequent Events (cont'd.)

As at the date of this announcement, DFIL's issued and paid up share capital comprises 1,144,350,393 ordinary shares, excluding treasury shares. DFIL's treasury shares as at the date of this announcement is 698,000.

Consequently, the Company's holding in DFIL further diluted to 79.09% as at 24 March 2016.

- (d) On 17 March 2016, the Board of the Company announced that a subsidiary of the Company, DFIL has entered into a Sales and Purchase Agreement to dispose of 10% equity interest plus one share ("First Tranche Sale Shares") in DFZ Capital Berhad ("DFZ"), a wholly owned group subsidiary, to Heinemann Asia Pacific Pte Ltd ("HAP") with further options to dispose a maximum of 15% equity interest in DFZ by DFIL ("Proposed Disposal").

The completion of the sale and purchase of the First Tranche Sale Shares is expected to take place on 1 June 2016 or such other date as the parties may mutually agree in writing.

For further information in relation to the above, please refer to the Company's announcement dated 17 March 2016 on Bursa Securities website.

Other than as disclosed above, there were no other material events during and subsequent to the current quarter ended 29 February 2016.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 29 February 2016.

12. Commitments

The amount of commitments not provided for in the interim financial statements as at 29 February 2016 were as follows:

- (a) Capital commitments

	RM'000
Purchase of property, plant and equipment:	
Approved and contracted for	672
Approved but not contracted for	13,379
	<u>14,051</u>

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

12. Commitments (cont'd.)

(b) Non-cancellable operating lease commitments

	RM'000
Rental payable	<u>165,824</u>

13. Performance Review

Explanatory comment on the performance of each of the Group's segment is provided in Note 9 above.

14. Comment on Material Change in Profit Before Taxation Compared with Immediate Preceding Quarter

The profit before taxation for the quarter under review was higher at RM25.4 million as compared to the preceding quarter ended 30 November 2015 of RM22.9 million mainly due to the improved performance of the duty free segment.

15. Commentary on Prospects

Given the current economic outlook, the business environment in which the Group operates is expected to remain challenging. The Group will continue realising effective commercial strategies and cost-efficiency programmes to ensure it remains competitive and profitable in the ensuing new financial year ending 28 February 2017.

The Proposed Disposal, as mentioned in Note 10(d) above, is expected to enable DFIL Group to benefit from the resources and expertise of HAP Group in the areas of product assortment and costing, retail store management, distribution and logistics management of products. The Proposed Disposal is also expected to further strengthen the Group's financial strength thus enabling the Group to consider further future business opportunities.

16. Profit Forecast or Profit Guarantee

There is no profit forecast and profit guarantee provided by the Company and as such, this disclosure requirement is not applicable.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

17. Profit Before Taxation

Included in the profit before taxation are the following items:

	Individual Quarter		Cumulative Quarter	
	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000
Bad debts written off	-	-	8	56
Changes in fair value of marketable securities	(18)	76	472	707
Changes in fair value of biological assets	(300)	-	(300)	-
Depreciation and amortisation	4,181	4,646	17,397	17,557
(Gain)/loss on disposal of:				
- assets classified as held for sale	-	93	-	(450)
- property, plant and equipment	(482)	(376)	(476)	(535)
- marketable securities	-	468	-	(21)
- a subsidiary	-	-	-	(1,570)
Impairment losses on receivables	381	17	381	17
Interest expense	1,741	1,656	7,225	6,982
Interest income	(1,340)	(1,340)	(5,264)	(5,302)
Inventories written back	(801)	23	(1,003)	-
Inventories written down	800	432	800	432
Inventories written off	200	74	256	210
Property, plant and equipment written off	(17)	41	111	209
Provision/(reversal) of impairment losses on:				
- land use rights	118	(205)	-	(323)
- property, plant and equipment	305	(5,191)	(302)	(5,862)
- receivables	(267)	(964)	(275)	(964)
Reversal of provision	-	-	-	(547)
Foreign exchange loss/(gain) (net)	2,256	643	9,462	(796)

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

18. Taxation

	Individual Quarter		Cumulative Quarter	
	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000
Income tax				
- current period provision	9,634	7,425	28,845	24,535
- (over)/under provision in prior periods	(15)	(324)	(1,083)	771
Deferred taxation	(517)	(1,193)	(733)	(1,069)
Real property gains tax	-	2,011	-	2,011
	<u>9,102</u>	<u>7,919</u>	<u>27,029</u>	<u>26,248</u>

The higher effective tax rate for the current quarter and cumulative quarter was mainly due to inclusion of certain non-deductible expenses.

19. Retained Earnings

	As at 29-Feb-16 RM'000	(Audited) As at 28-Feb-15 RM'000
	Total retained earnings	
- Realised	335,501	332,235
- Unrealised	(28,397)	(24,724)
Total share of results from an associate		
- Realised	107	68
	<u>307,211</u>	<u>307,579</u>
Consolidation adjustments	(233,933)	(232,996)
Total retained earnings as per Consolidated Statement of Financial Position	<u>73,278</u>	<u>74,583</u>

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

20. Corporate Proposals

The status of corporate proposals announced but not completed as at the date of issue of these interim financial statements are as follows:

- (a) On 10 April 2012, the Board of the Company announced that the Company's subsidiary, Kelana Megah Sdn Bhd ("KMSB") has entered into a sale and purchase agreement with Berjaya Waterfront Sdn Bhd ("BWSB"), a subsidiary of Berjaya Assets Berhad, to dispose of a parcel of land bearing lot number PTB 20379 for a consideration of RM27,990,000.

However, as at the date of this report, the condition precedent as stipulated have not been fulfilled. The Company will continue to keep shareholders informed of any new developments.

- (b) On 15 July 2015 and 20 July 2015, the Company announced that the Company's subsidiary which is listed on the Singapore Exchange Securities Trading Limited, Duty Free International Limited ("DFIL"), is seeking dual primary listing on the main board of the Stock Exchange of Hong Kong Limited.

As at the date of this report, the above mentioned corporate exercise is pending completion.

- (c) On 17 March 2016, the Board of the Company announced that a subsidiary of the Company, DFIL has entered into a Sales and Purchase Agreement to dispose of 10% equity interest plus one share ("First Tranche Sale Shares") in DFZ Capital Berhad ("DFZ"), a wholly owned group subsidiary, to Heinemann Asia Pacific Pte Ltd ("HAP") with further options to dispose a maximum of 15% equity interest in DFZ by DFIL ("Proposed Disposal").

The completion of the sale and purchase of the First Tranche Sale Shares is expected to take place on 1 June 2016 or such other date as the parties may mutually agree in writing.

For further information in relation to the above, please refer to the Company's announcement dated 17 March 2016 on Bursa Securities website.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

21. Borrowings and Debt Securities

As at 29 February 2016, the Group's borrowings were as follows:

	RM'000
Short Term Borrowings – Secured	
- Trade facilities	39,317
- Term loan	9,031
- Obligations under finance leases	804
	<hr/> 49,152
Long Term Borrowings – Secured	
- Term Loan	67,000
- Obligations under finance leases	1,428
	<hr/> 68,428
Total Group's borrowings	<hr/> 117,580 <hr/>

22. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

22. Fair Value Hierarchy (cont'd.)

As at the reporting date, the Group held the following financial assets/liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 29 February 2016				
Financial assets:				
Marketable securities	9	-	-	9
Financial liabilities:				
Derivatives				
- Forward foreign exchange contracts	-	1,632	-	1,632
Non-financial assets:				
Biological assets	-	-	5,100	5,100
At 28 February 2015				
Financial assets:				
Marketable securities	79	-	-	79
Derivatives				
- Forward foreign exchange contracts	-	168	-	168
Non-financial assets:				
Biological assets	-	-	4,800	4,800

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset/liability that subsequently resulted in a different classification of that asset/liability.

23. Changes in Material Litigation

There were no material litigation matters involving the Company and/or its subsidiaries as at the date of this report.

ATLAN HOLDINGS BHD – 173250 W
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 29 FEBRUARY 2016**

24. Dividend Payable and Distributable

For the financial year ended 29 February 2016, the total dividends of RM0.175 per ordinary share paid by the Company amounted to RM44.4 million (2015: RM0.35 per ordinary share totaling to RM88.8 million). (Refer to Note 8 for dividends paid and distributed during the financial year).

25. Earnings Per Share

a. Basic

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period. The basic earnings per share was calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000	Ended 29-Feb-16 RM'000	Ended 28-Feb-15 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	11,825	14,642	43,084	46,467
Number of ordinary shares in issue ('000)	253,650	253,650	253,650	253,650
Basic earnings per share (sen)	4.66	5.77	16.99	18.32

b. Diluted

There is no ESOS or ICPS issued by the Company. Accordingly, there is no diluted earnings per share.

26. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 April 2016.