ATLAN HOLDINGS BHD
ANNOUNCEMENT TO BURSA MALAYSIA
FOR THE FOURTH QUARTER ENDED
28 FEBRUARY 2019

ATLAN HOLDINGS BHD

(Company Number: 173250-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 28 FEBRUARY 2019

	Note	INDIVIDUAL QUARTER Ended 28-Feb-19 RM'000	INDIVIDUAL QUARTER Ended 28-Feb-18 RM'000	CUMULATIVE QUARTER Ended 28-Feb-19 RM'000	CUMULATIVE QUARTER Ended 28-Feb-18 RM'000
Revenue	**9**	219,033	223,604	774,916	826,335
Operating expenses		(200,146)	(196,720)	(697,560)	(736,929)
Other operating income		1,476	20,861	14,177	39,978
Net foreign exchange (loss)/gain		(1,590)	(4,908)	5,001	(17,761)
Operating profit		18,773	42,837	96,534	111,623
Depreciation and amortisation		(4,027)	(3,730)	(15,509)	(16,336)
Finance costs		(1,117)	(1,021)	(4,125)	(4,159)
Share of results of an associate		(13)	(39)	(73)	158
Profit before taxation	**9, 17**	13,616	38,047	76,827	91,286
Taxation	**18**	(3,573)	(6,978)	(17,688)	(24,961)
Profit for the period		10,043	31,069	59,139	66,325
Attributable to:					
Equity holders of the parent		5,776	26,353	39,896	49,033
Non-controlling interests		4,267	4,716	19,243	17,292
		10,043	31,069	59,139	66,325
Earnings per share attributable to equity holders of the parent (sen)	**25**				
- Basic		2.28	10.39	15.73	19.33

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2018 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 28 FEBRUARY 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000
Profit for the period	10,043	31,069	59,139	66,325
Other comprehensive income:				
- Foreign currency translation	(635)	-	(168)	-
Total comprehensive income for the period	9,408	31,069	58,971	66,325
Total comprehensive income attributable to:				
Equity holders of the parent	5,338	26,353	39,782	49,033
Non-controlling interests	4,070	4,716	19,189	17,292
	9,408	31,069	58,971	66,325

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 28 February 2018 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 28 FEBRUARY 2019

	Note	(Unaudited) As at 28-Feb-19 RM'000	(Audited) As at 28-Feb-18 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		134,323	141,679
Investment properties		31,913	36,494
Land use rights		21,421	21,871
Goodwill		27,408	27,408
Intangible assets		888	-
Investment in associates		647	721
Other investments		147	129
Prepayments		29,709	39,489
Deferred tax assets		4,507	2,267
		250,963	270,058
CURRENT ASSETS			
Inventories		210,669	172,539
Biological assets		103	152
Trade and other receivables		138,530	92,944
Capitalised contract costs		3,771	-
Prepayments		13,432	12,956
Tax recoverable		5,150	7,663
Marketable securities		4	5
Derivative assets		-	8
Cash and bank balances		349,780	410,231
		721,439	696,498
TOTAL ASSETS		972,402	966,556

ATLAN HOLDINGS BHD

(Company Number: 173250-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 28 FEBRUARY 2019 (CONT'D.)

	Note	(Unaudited) As at 28-Feb-19 RM'000	(Audited) As at 28-Feb-18 RM'000
EQUITY AND LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		158,161	135,682
Derivative liabilities		99	1,043
Employee benefits		502	594
Dividends payable		40,119	34,731
Tax payable		1,429	2,744
Borrowings	**20**	36,240	27,881
		236,550	202,675
NET CURRENT ASSETS		484,889	493,823
NON-CURRENT LIABILITIES			
Derivative liabilities		515	-
Employee benefits		2,699	2,930
Deferred tax liabilities		7,326	7,121
Borrowings	**20**	32,444	41,803
		42,984	51,854
TOTAL LIABILITIES		279,534	254,529
NET ASSETS		692,868	712,027

ATLAN HOLDINGS BHD

(Company Number: 173250-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 28 FEBRUARY 2019 (CONT'D.)

	Note	(Unaudited) As at 28-Feb-19 RM'000	(Audited) As at 28-Feb-18 RM'000
EQUITY AND LIABILITIES (CONT'D)			
EQUITY			
Equity attributable to owners of the parent			
Share capital		356,528	356,528
Currency translation reserve		(328)	(214)
Other reserve		(43,927)	(39,455)
Retained earnings		208,732	216,236
		521,005	533,095
Non-controlling interests		171,863	178,932
TOTAL EQUITY		692,868	712,027
TOTAL EQUITY AND LIABILITIES		972,402	966,556
Net assets per share attributable to owners of the parent (RM)		2.05	2.10

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 28 February 2018 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 28 FEBRUARY 2019

	Attributable to Owners of the Parent					Non-controlling Interests ("NCI")	Total Equity
	Share capital RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
At 1 March 2017	356,528	(214)	(32,059)	156,061	480,316	168,464	648,780
Total comprehensive income for the year	-	-	-	49,033	49,033	17,292	66,325
Transactions with owners:							
Changes of equity interest in a subsidiary							
- arising from (accretion)/dilution of equity interest in a subsidiary	-	-	(7,396)	21,173	13,777	16,049	29,826
- arising from part disposal of equity interest in a subsidiary	-	-	-	43,236	43,236	3,100	46,336
Dividends on ordinary shares	-	-	-	(53,267)	(53,267)	-	(53,267)
Dividends paid to NCI by subsidiary	-	-	-	-	-	(25,973)	(25,973)
At 28 February 2018	356,528	(214)	(39,455)	216,236	533,095	178,932	712,027
At 1 March 2018	356,528	(214)	(39,455)	216,236	533,095	178,932	712,027
Profit for the year	-	-	-	39,896	39,896	19,243	59,139
Other comprehensive income	-	(114)	-	-	(114)	(54)	(168)
	-	(114)	-	39,896	39,782	19,189	58,971
Transactions with owners:							
Changes of equity interest in a subsidiary							
- arising from accretion of equity interest in a subsidiary	-	-	(4,472)	3,330	(1,142)	(4,844)	(5,986)
- capital contribution from NCI in a subsidiary (refer to Note 10(b))	-	-	-	-	-	5,056	5,056
Dividends on ordinary shares	-	-	-	(50,730)	(50,730)	-	(50,730)
Dividends paid to NCI by subsidiary	-	-	-	-	-	(26,470)	(26,470)
At 28 February 2019	356,528	(328)	(43,927)	208,732	521,005	171,863	692,868

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 28 February 2018 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 28 FEBRUARY 2019

	12 MONTHS ENDED	
	28-Feb-19	**28-Feb-18**
	RM'000	**RM'000**
Operating activities		
Profit before taxation	76,827	91,286
Adjustments for:		
Changes in fair value of marketable securities	69	(229)
Changes in fair value of biological assets	49	35
Depreciation and amortisation	15,509	16,336
Employee benefits	-	(2,089)
Gain on disposal of assets	(1,041)	(1,032)
Gain arising from changes in fair value of options	(1,017)	(7,976)
Interest expense	4,125	4,159
Interest income	(12,617)	(8,456)
Inventories written off	124	157
Inventories written down	3,184	1,134
Property, plant and equipment written off	87	31
Impairment loss on receivables	-	22
Reversal of impairment loss on receivables	(13)	(235)
Reversal of inventories written down	(1,357)	(668)
Reversal of short term accumulating compensated absences	(427)	(19)
Reversal of provision of guarantees	-	(14,875)
Unrealised (gain)/loss on foreign exchange (net)	(4,245)	19,977
Share of results of an associate	73	(158)
Operating cash flows before changes in working capital	79,332	97,400
Changes in working capital	(11,490)	52,927
Cash generated from operations	67,842	150,327
Tax paid	(18,524)	(27,036)
Employee benefits paid	(323)	(634)
Net cash flows generated from operating activities	48,996	122,657
Investing activities		
Acquisition of assets	(8,822)	(10,615)
Interest received	12,617	8,456
Repurchase of shares by a subsidiary	(5,986)	(9,985)
Proceeds from disposal of property, plant and equipment	3,714	3,241
Proceeds from issuance of new ordinary shares by subsidiary	-	39,811
Proceeds from non-controlling interests partial investment	-	46,336
Investment in debt securities	(30,000)	-
Net cash outflow on acquisition of a subsidiary (refer to Note 10(b))	(3,752)	-
Net cash flows (used in)/generated from investing activities	(32,229)	77,244

ATLAN HOLDINGS BHD

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CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED 28 FEBRUARY 2019 (CONT'D.)

	12 MONTHS ENDED	
	28-Feb-19	**28-Feb-18**
	RM'000	**RM'000**
Financing activities		
(Increase)/decrease in pledged fixed deposits	(292)	1,777
Dividends paid to non-controlling interests of subsidiaries	(21,023)	(31,763)
Dividends paid to ordinary shareholders of the Company	(50,730)	(53,267)
Interest paid	(4,125)	(4,159)
Net repayment of borrowings	(777)	(1,680)
Net repayment of obligations under finance leases	(563)	(1,952)
Net cash flows used in financing activities	(77,510)	(91,044)
Net (decrease)/increase in cash and cash equivalents	(60,743)	108,857
Cash and cash equivalents at beginning of the period	398,330	289,473
Cash and cash equivalents at end of the period	337,587	398,330
Cash and cash equivalents at end of financial period comprise the following:		
Cash and bank balances	349,780	410,231
Less: Pledged deposits	(12,193)	(11,901)
	337,587	398,330

Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 March 2018 RM'000	Cash flows RM'000	Non-cash changes Others RM'000	Carrying amount as at 28 February 2019 RM'000
Term loans	51,252	4,978	-	56,230
Trade facilities	17,057	(5,755)	-	11,302
Obligations under finance leases	1,375	(563)	340	1,152
Dividend payable	34,731	(71,753)	76,241	39,219
Total liabilities from financing activities	104,415	(73,093)	76,581	107,903

The Condensed Consolidated Cash Flows Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2018 and the accompanying notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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 2018. 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 2018.

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 2018, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 March 2018:

- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 140: Transfers of Investment Property
- Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers
- Annual Improvements to MFRS Standards 2014 – 2016 Cycle
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

(i) Changes in Accounting Policies (cont'd.)

The adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group except as discussed below:

<u>MFRS 15 Revenue from Contracts with Customers</u>

This Standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under this Standard, revenue will be recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The adoption of this Standard results in changes in accounting policies for revenue recognition and has no impact other than the disclosures in the Group's financial statements.

<u>MFRS 9 Financial Instruments</u>

MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

There was no material impact on the accounting for Group's financial assets upon initial application of the new classification requirements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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**
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
MFRS 16 Leases	1 January 2019
Annual Improvements to MFRS Standards 2015–2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Share-based payment	1 January 2020
Amendments to MFRS 3: Business combinations	1 January 2020
Amendments to MFRS 6: Exploration for and evaluation of mineral resources	1 January 2020
Amendments to MFRS 14: Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101: Presentation of financial statements	1 January 2020
Amendments to MFRS 108: Accounting policies, changes in accounting estimates and errors	1 January 2020
Amendments to MFRS 134: Interim Financial Reporting	1 January 2020
Amendments to MFRS 137: Provisions, contingent liabilities and contingent assets	1 January 2020
Amendments to MFRS 138: Intangible assets	1 January 2020
Amendments to IC Interpretation 12: Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22: Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132: Intangible Assets - Web Site Costs	
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

(ii) Standards Issued But Not Yet Effective (cont'd.)

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 MFRS 16 Leases.

MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and depreciation expense on the right-of-use asset.

Lessor accounting is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. The Group plans to adopt the new standard on the required effective date.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 28 February 2018 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

Other than as disclosed in Note 10(b), net loss in foreign exchange amounting to RM1.6 million in the current quarter under review and net gain in foreign exchange amounting to RM5.0 million in the cumulative quarter mainly reported by Duty Free International Limited Group ("DFIL"), there was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the financial quarter ended 28 February 2019.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

Other than as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 28 February 2019.

During the full year ended 28 February 2019 and up to the date of this announcement, a subsidiary of the Company, Duty Free International Limited ("DFIL") had repurchased 11,676,100 of its ordinary shares from the open market for a total cash consideration of approximately RM7,215,000 (including transaction cost). The shares were bought with internally generated funds and all repurchased shares are being held as treasury shares.

With the repurchase of shares by DFIL, the Company's holding in DFIL (excluding treasury shares) increased from 74.86% as at 30 November 2018 to 74.89% as at the date of this announcement.

As at the date of this announcement, DFIL's issued and paid-up share capital with voting rights comprises 1,206,370,393 ordinary shares, (excluding treasury shares) and DFIL has 491,400,042 outstanding convertible warrants each with exercise price of S$0.43 expiring on 13 May 2022. The number of DFIL's treasury shares as at the date of this announcement is 22,828,000.

8. Dividends Paid and Distributed

On 12 July 2018, the Company declared a first interim single tier ordinary dividend of 10.0 sen per share in respect of the financial year ended 28 February 2019 amounting to RM25.36 million which was paid on 16 August 2018.

On 10 January 2019, the Company declared a second interim single tier ordinary dividend of 10.0 sen per share in respect of the financial year ended 28 February 2019 amounting to RM25.36 million which was paid on 13 March 2019.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

9. Segmental Information

	Individual Quarter			Cumulative Quarter		
	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000	Changes %	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000	Changes %
Segment Revenue						
Duty free	167,414	170,452	-1.8%	555,706	618,967	-10.2%
Automotive	43,494	44,811	-2.9%	186,436	175,884	6.0%
Property and hospitality	6,368	7,372	-13.6%	25,933	28,538	-9.1%
Investment holding	76,741	45,467	68.8%	133,384	151,363	-11.9%
Others	1,740	2,063	-15.7%	7,239	7,526	-3.8%
	295,757	270,165	9.5%	908,698	982,278	-7.5%
Eliminations	(76,724)	(46,561)	64.8%	(133,782)	(155,943)	-14.2%
Group revenue	219,033	223,604	-2.0%	774,916	826,335	-6.2%
Segment Results						
Duty free	17,157	23,331	-26.5%	58,677	82,233	-28.6%
Automotive	440	7,170	-93.9%	15,616	11,994	30.2%
Property and hospitality	909	1,988	-54.3%	5,515	7,743	-28.8%
Investment holding	(1,573)	(6,259)	-74.9%	6,069	(15,767)	-138.5%
Others	(3,317)	11,817	128.1%	(9,050)	5,083	278.0%
Profit before taxation	13,616	38,047	-64.2%	76,827	91,286	-15.8%

The Group comprises the following main business segments:
(i) Duty free – trading of duty free goods, dutiable 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.

Segment Revenue

(a) Duty free segment recorded a drop in revenue in current quarter and cumulative quarter compared to the corresponding quarter and cumulative quarter in the previous financial year. The drop was mainly due to decrease in demand for certain products and change in sales mix.

(b) The revenue from the Automotive segment in current quarter was slightly lower as compared to the corresponding quarter mainly due to lower orders received from its customers. Higher revenue reported in the cumulative quarter under review was mainly due to higher orders received from certain customers compared to the corresponding cumulative quarter in the previous year.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

9. Segmental Information (cont'd.)

Segment Revenue (cont'd.)

(c) Lower revenue reported from Property and hospitality segment in the current quarter and cumulative quarter compared to the corresponding quarter and cumulative quarter in the previous year as a result of lower occupancy rate and lower average rental rate.

(d) The revenue from the Investment holding segment mainly relates to interest income and dividend income from subsidiaries in the Group which were eliminated at Group level. Higher revenue in current quarter due to higher dividend received compared to the corresponding quarter. However lower revenue recorded in the cumulative quarter as compared to the corresponding cumulative period of the previous financial year mainly due to lower dividend received.

(e) The revenue of the Others segment mainly relates to interest income and management fee from related companies in the Group which were eliminated at Group level.

Segment Results

(a) Duty free segment reported lower profit in current quarter and cumulative quarter as compared to the corresponding quarter and cumulative quarter in the previous year mainly due to lower revenue as mentioned above, lower gain arising from changes in fair value of option amounting to RM7.0 million as compared to FY2018, increase in donation by RM2.0 million and higher professional fees of RM2.3 million incurred in FY2019 as compared to FY2018.

(b) In the Automotive segment, the decrease in profit in current quarter under review was mainly due to lower revenue recorded, higher labour cost, coupled with the absence of reversal of overprovision of retirement benefits amounting RM2.4 million and recovery of certain costs of approximately RM2.0 million which were recorded in the corresponding quarter in the previous financial year.

Higher profit was registered in the cumulative quarter as compared to the corresponding cumulative quarter in the previous year mainly due to higher revenue as mentioned above and recovery of certain costs (that was previously charged out) from a customer.

(c) In the Property and hospitality segment, the profit for the current quarter and the cumulative quarter in current year was lower as compared to the corresponding cumulative quarter in the previous financial year mainly due to lower revenue as mentioned above and higher operating expenditure.

9. Segmental Information (cont'd.)

Segment Results (cont'd.)

(d) Investment holding segment reported a lower loss in current quarter mainly due to lower net loss in foreign exchange of RM1.5 million as compared to RM4.9 million in the corresponding quarter in the previous financial year.

Favourable result was reported in the cumulative quarter as compared to a loss in the corresponding cumulative quarter of previous financial year mainly due to higher net gain in foreign exchange of approximately RM5.0 million in current cumulative quarter as compared to net loss in foreign exchange of approximately RM17.8 million in the cumulative quarter of previous financial year.

(e) In the Others segment, a loss was reported in current quarter and cumulative quarter as compared to a profit in the corresponding quarter and cumulative quarter of previous financial year. The loss was mainly due to the absence of reversal of provision of guarantees amounting to RM14.9 million as compared to the corresponding quarter and cumulative quarter of the previous year.

10. Significant and Subsequent Events

(a) With reference to the earlier announcement made by the Company on 29 July 2015 in relation to the approval granted by Bursa Malaysia Securities Berhad ("Bursa Securities") to the Company on a lower public shareholding spread of 20.81% for the purpose of compliance with Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities.

The Board of the Company had on 8 July 2016 announced that the Company has been notified by its substantial shareholders, Berjaya Corporation Berhad and Tan Sri Dato' Seri Vincent Tan Chee Yioun in relation to the change of their substantial interests held in AHB. As a result of the said change, the Public Shareholding Spread of the Company has decreased to 20.33%.

Further to the announcement, 10 January 2019, the Board of the Company announced that the Company's public shareholding spread as at 31 December 2018 were as follows:

Number of Public Shareholders: 1,023
Percentage of public shareholding: 20.33%

The Company will continue to monitor the level of public shareholding spread and make the necessary announcement as and when there is a development on the above.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

(b) On 9 July 2018, the Board of the Company announced that a subsidiary of the Company, Duty Free International Limited ("DFIL") had entered into a conditional subscription agreement ("Agreement") with Mr. Robert Justin Frizelle and Meridian Compass Ltd ("Founders"), and Brand Connect Holding Pte. Ltd. ("Brand Connect") pursuant to which DFIL shall subscribe for 2,800,000 new ordinary shares in the capital of Brand Connect ("Subscription Shares") (the "Proposed Subscription").

On 8 August 2018, the Acquisition was completed. DFIL subscribed 2,800,000 new ordinary shares in the Capital of Brand Connect Holding Pte. Ltd. at the consideration of US$2,800,000 following the satisfaction of the conditions precedent to the Agreement ("Acquisition"). Following the completion of the Acquisition, Brand Connect Holding Pte. Ltd. became a 70% owned subsidiary of DFIL.

Brand Connect group of companies is engaged in the business of marketing and the trading, wholesale and retail distribution of alcohol and other beverage products across countries in the Asia Pacific region. The acquisition of Brand Connect group of companies by DFIL is to develop and grow DFIL's alcohol distribution business as well as to expand DFIL's market operations beyond the current sales channels in the duty free market of Malaysia to include the duty paid market across South East Asia.

The management had finalised the purchase price allocation ("PPA") exercise within one year, from 8 August 2018, being date of acquisition. The fair value of (i) assets and liabilities of the Brand Connect Group and (ii) purchase consideration on acquisition date has been adjusted accordingly based on the finalised PPA report.

The consolidated financial information reflects the following:

<u>Consolidated statement of financial position</u>

(i) The assets and liabilities of the Brand Connect Group as at 28 February 2019 were recognised and measured in the consolidated statement of financial position at their carrying amounts after the restructuring exercise;

(ii) The assets and liabilities of the Brand Connect Group on acquisition date were recognised and measured in the consolidated statement of financial position at their acquisition date fair values as provisionally determined by the management;

(iii) The comparative figures as at 28 February 2018 presented in the consolidated statement of financial position relate to the Atlan Holdings Bhd ("AHB") Group; and

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

Consolidated statement of financial position (cont'd.)

(iv) The retained earnings of the Group as at 28 February 2019 included that of the AHB Group at their carrying amounts and the post-acquisition reserves of the Brand Connect Group.

Consolidated statement of profit and loss and other comprehensive income

(i) The consolidated statement of profit or loss and other comprehensive income for the period from 1 March 2018 to 28 February 2019 ("FY2019"), reflect that of AHB Group and the post-acquisition results of Brand Connect Group; and

(ii) The comparative figures for the period from 1 March 2017 to 28 February 2018 ("FY2018) presented in the consolidated statement of profit or loss and other comprehensive income were that of AHB Group.

(c) On 19 December 2018, the Board of the Company announced that Brand Connect, which is a subsidiary of DFIL, which in turn a subsidiary of AHB has on 19 December 2018 incorporated a new wholly-owned subsidiary, namely Thirsty Boys Pte. Ltd. under the laws of Singapore ("Incorporation").

Thirsty Boys Pte. Ltd. is a private company limited by shares with an issued and paid up capital of USD2.00. The principal activity is wholesale of liquor, soft drinks and beverages.

The Incorporation will not have any material impact on the earnings per share and net assets of AHB for the financial year ending 28 February 2019. None of the directors or substantial shareholders of AHB or persons connected with them has any interest, direct or indirect in the Incorporation.

(d) On 11 January 2019, the Board of the Company announced that Kadar Prisma Sdn. Bhd. (Company No. 294258-T) (hereinafter referred as "the Subsidiary") has on 11 January 2019, submitted the application to the Companies Commission of Malaysia for strike-off pursuant to Section 550 of the Companies Act, 2016 ("Act").

The Subsidiary is dormant and has no intention to carry on its business or operation in the future.

The strike-off of the Subsidiary is to save on costs and time associated with maintaining this dormant subsidiary.

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

The above strike-off did not have a material effect on the earnings and net assets of the AHB Group for the financial year ended 29 February 2019. None of the Directors or Substantial Shareholders of AHB or persons connected to them has any interest, direct or indirect, in the strike-off.

(e) On 14 January 2019, the Board of the Company announced that DFIL has on 14 January 2019 acquired 100% equity interest, representing one (1) ordinary share of the Brilliant Pixel Sdn. Bhd. ("BPSB") for a consideration of RM1.00 ("Acquisition"). As a result of the Acquisition, BPSB has become a wholly-owned subsidiary of DFIL, which in turn is a subsidiary of AHB.

BPSB is a private company limited by shares incorporated in Malaysia on 12 December 2018 with an issued and paid up capital of RM1.00. The principal activity is investment holding, real property holding and general trading.

The Acquisition did not have any material impact on the gearing, earnings per share and net assets of AHB for the financial year ended 28 February 2019.

None of the directors or substantial shareholders of AHB or persons connected with them has any interest, direct or indirect in the Acquisition.

Other than as disclosed above, there were no other material events during and subsequent to the current quarter ended 28 February 2019.

11. Changes in Composition of the Group

Other than as disclosed in Note 7, Notes 10(b), 10(c) and 10(e) above, there were no changes in the composition of the Group during the current quarter ended 28 February 2019.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

12. Commitments

The amount of commitments not provided for in the interim financial statements as at 28 February 2019 were as follows:

(a) Capital commitments

	RM'000
Purchase of property, plant and equipment:	
Approved and contracted for	23
Approved but not contracted for	25,952
	25,975

(b) Non-cancellable operating lease commitments

	RM'000
Rental payable	165,177

13. Performance Review

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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

	Current Quarter 28-Feb-19 RM'000	Immediate Preceding Quarter 30-Nov-18 RM'000	Changes %
Revenue	219,033	215,387	1.7%
Operating profit	18,773	29,266	-35.9%
Profit before interest and tax	14,733	25,403	-42.0%
Profit before tax	13,616	24,423	-44.2%
Profit after tax	10,043	19,726	-49.1%
Profit attributable to equity holders of the parent	5,338	13,929	-61.7%

Revenue for the quarter under review was higher by RM3.6 million as compared to the preceding quarter ended 30 November 2018 of RM215.4 million. The increase was mainly contributed by duty free segment due to increase in demand for certain products and improved sales mix.

The profit before taxation for the quarter under review was lower at RM13.6 million as compared to the preceding quarter ended 30 November 2018 of RM24.4 million mainly due to lower operating profit as a result of higher operating expenses and net loss in foreign exchange of RM1.6 million compared to a net gain in foreign exchange amounting to RM1.4 million in the preceding quarter ended 30 November 2018.

15. Commentary on Prospects

In view of the current economic outlook and cautious consumer spending, the business environment of which the Group operates is expected to remain soft and challenging. The Group continues to be focused on expanding its market presence and its efforts to strengthen operational efficiencies together with close monitoring of the key cost drivers, in order to stay competitive and profitable in the next 12 months.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

17. Profit Before Taxation

Included in the profit before taxation are the following items:

	Individual Quarter		Cumulative Quarter	
	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000
Changes in fair value of marketable securities	(46)	(83)	69	(229)
Changes in fair value of biological assets	(45)	13	49	35
Gain arising from changes in fair value of options	-	-	(1,017)	(7,976)
Gain on disposal of property, plant and equipment	(1,004)	(953)	(1,041)	(1,032)
Depreciation and amortisation	4,027	3,730	15,509	16,336
Interest expense	1,117	1,021	4,125	4,159
Interest income	(3,375)	(2,486)	(12,617)	(8,456)
Inventories written down	2,064	316	3,184	1,134
Inventories written off	64	30	124	157
Property, plant and equipment written off	22	22	87	31
Reversal of inventories written down	(1,302)	(327)	(1,357)	(668)
Reversal of impairment loss on receivables	-	-	(13)	(235)
Reversal of provision of guarantees	-	(14,875)	-	(14,875)
Realised foreign exchange gain (net)	(625)	(1,399)	(756)	(2,216)
Unrealised foreign exchange loss/(gain) (net)	2,215	6,307	(4,245)	19,977

18. Taxation

	Individual Quarter		Cumulative Quarter	
	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000
Income tax				
- current period provision	4,235	7,066	18,516	25,409
- (over)/under provision in prior periods	(47)	425	(492)	187
Deferred taxation	(615)	(513)	(336)	(635)
	3,573	6,978	17,688	24,961

The higher effective tax rate in current quarter was mainly due to certain expenses or losses being disallowed for tax purposes.

The lower effective tax rate in the cumulative quarter was mainly due to higher non-taxable income relating to unrealised foreign exchange gain.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

19. Corporate Proposals

The status of corporate proposals announced but not completed as at the date of issue of this interim financial report 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 for a consideration of RM27,990,000.

However, as at the date of this report, the conditions 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, Duty Free International Limited ("DFIL") has entered into a Sales and Purchase Agreement ("SPA") 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") for a consideration of EUR19,700,000, with further options to dispose a maximum of 15% equity interest in DFZ by DFIL ("Proposed Disposal").

Under the terms of the SPA, DFIL has also granted the following call option to HAP ("Call Options") for a nominal consideration of EUR1.00 each:

i. In the 18-month period beginning on the date of completion of the sale of the First Tranche Sale Shares ("Completion"), the option to require DFIL to sell HAP a second Tranche of shares in DFZ (the "Second Tranche Sale Shares") ("Second Tranche Call Option"), and

ii. In the 12-month period beginning on the date of expiry of the Second Tranche Call Option period, the option to require DFIL to sell to HAP a third tranche of shares in DFZ (the "Third Tranche Sale Shares") ("Third Tranche Call Option").

(collectively, the " Proposed Disposals")

19. Corporate Proposals (cont'd.)

The aggregate number of shares in DFZ which may be acquired by HAP under the Call Options shall not exceed 15% of the issued and paid-up share capital of DFZ as at the date of the SPA. Each Call Option may only be exercised once. The Third Tranche Call Option will remain valid and binding notwithstanding the Second Tranche Call Option not being exercised.

Upon the completion of Proposed Disposals (assuming all the Call Options are fully exercised), 75% minus one share of the issued and paid-up share capital of DFZ will be held by DFIL while the remaining 25% plus one share will be held by HAP.

The Proposed Disposals were approved by the Shareholders of DFIL at the Extraordinary General Meeting ("EGM") on 30 May 2016. Consequently, the sale and purchase of the First Tranche Sale Shares was completed on 1 June 2016.

On 30 November 2017, HAP exercised the Second Tranche Call Option requiring DFIL to sell to HAP 5% of the equity interest in DFZ. The sales and purchase of the Second Tranche Sale Shares was completed on 29 December 2017. Consequently, HAP's equity interest in DFZ increased from 10% plus one share to 15% plus one share.

HAP did not exercise the Third Call Option during the exercise period for Third Tranche Call Option which had since expired on 30 November 2018. Accordingly, there are no Call Options outstanding to require DFIL to sell shares in DFZ to HAP after 30 November 2018.

The following agreements had been entered in connection with the Proposed Disposals mentioned above:

(i) a shareholders' agreement between HAP, DFIL and DFZ, for the purposes of regulating the relationship between HAP and DFIL as shareholders;

(ii) a management agreement between HAP and DFZ, pursuant to which HAP shall be appointed to provide management services to DFZ; and

(iii) a supply and distribution agreement between HAP, DFZ and its subsidiaries, pursuant to which HAP shall be granted extensive rights for the purchase, and exclusive supply of, certain product categories.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

20. Borrowings and Debt Securities

	As at 28-Feb-19 RM'000	As at 28-Feb-18 RM'000
Short Term Borrowings - Secured		
- Trade facilities	11,302	17,057
- Term loan	24,445	10,283
- Obligations under finance leases	493	541
	36,240	27,881
Long Term Borrowings - Secured		
- Term loan	31,785	40,969
- Obligations under finance leases	659	834
	32,444	41,803
Total Group's borrowings	68,684	69,684

21. 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

21. Fair Value Hierarchy (cont'd.)

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	*Total RM'000*
At 28 February 2019				
Financial asset:				
Marketable securities	4	-	-	*4*
Financial liabilities:				
Derivatives				
- Call options on subsidiary shares	-	515	-	*515*
- Forward foreign exchange contracts	-	99	-	*99*
Non-financial assets:				
Biological assets	-	-	103	*103*
At 28 February 2018				
Financial assets:				
Marketable securities	5	-	-	*5*
Derivatives				
- Forward foreign exchange contracts	-	8	-	*8*
Financial liabilities:				
Derivatives				
- Call options on subsidiary shares	-	-	1,017	*1,017*
- Forward foreign exchange contracts	-	26	-	*26*
Non-financial asset:				
Biological assets	-	-	152	*152*

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.

22. Derivative Financial Instruments

	Notional Amount RM'000	Fair value RM'000	Assets RM'000	Liabilities RM'000
At 28 February 2019				
Put/Call options on subsidiary shares				
- More than 5 years	515	515	-	515
Forward foreign exchange contracts				
- Less than 1 year	6,804,701	99	-	99
At 28 February 2018				
Call options on subsidiary shares				
- Less than 1 year	1,017	1,017	-	1,017
Forward foreign exchange contracts				
- Less than 1 year	9,822	18	8	26

The Group uses forward foreign currency contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The derivatives represent total financial assets and liabilities at fair value through profit or loss, classified held for trading.

During the current financial quarter and financial period ended 28 February 2019, the Group recognised a loss on forward foreign exchange contracts of RM614,000 and RM596,000 respectively arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange and forward rate.

The put/call options in current financial year was in relation to the fair value of put/call options of the remaining 30% stake in the Brand Connect Holding Pte. Ltd.. The call options in the previous financial year ended 28 February 2018 was in relation to the fair value of call options issued which gave HAP the option to acquire a maximum of 15% additional equity interest in DFZ, a subsidiary of the Company as set out in Note 19(c). The call options had since expired on 30 November 2018.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

23. Material Litigation/Contingent Liabilities

Other than as disclosed below, there were no material litigation/contingent liabilities matters involving the Company and/or its subsidiaries as at the date of this report.

On 30 November 2017, the Company announced that the Company's subsidiary, Seruntun Maju Sdn. Bhd. ("SMSB") had received the bills of demand dated 14 November 2017 from the Royal Malaysian Customs of Perak Darul Ridzuan ("Customs"), which SMSB received on 21 November 2017, demanding payments of customs duties, excise duties, sales tax and Goods and Services Tax ("GST") all totalling RM41,594,986.86.

The said Bills of demand were raised by the Customs Department who alleged that SMSB did not comply with certain conditions of a duty-free shop located at the border.

On 29 November 2017, the High Court granted leave to SMSB's application for judicial review, as well as an interim stay of the enforcement of the bills of demand until the disposal of the inter partes stay hearing under the Customs Act 1967 and Excise Act, 1976.

The High Court has on 17 April 2018 heard the case and had fixed 25 May 2018 for decision of the matter. In addition, the High Court also granted interim stay of enforcement of the Bills of demand until the date of decision.

The High Court subsequently postponed the date for decision on the matter from 25 May 2018 to 29 June 2018.

On 29 June 2018, the decision of the High Court was not to grant an application for judicial review to SMSB. On 2 July 2018, SMSB filed an appeal to the Court of Appeal against the High Court's decision of not granting an application for judicial review. Simultaneously, SMSB also filed a formal application to stay the effect and enforcement of the bills of demand raised on SMSB for import and excise duties.

On 28 August 2018, the High Court granted interim stay pending the disposal of the stay application, which was to be heard on 5 October 2018 before a new Judge. The hearing was postponed from 4 December 2018 to 17 January 2019, which was subsequently again postponed to 20 February 2019. On 20 February 2019, upon hearing the submission for both parties, the Court granted an interim stay to SMSB pending the disposal of its Court of Appeal hearing. Parties were to update the Court after the Court of Appeal hearing.

On 13 March 2019, the High Court was briefed on the status of the hearing of the Court of Appeal. As there was no tentative date fixed by the Court of Appeal for the decision, the High Court has then granted an interim stay until the disposal of the hearing.

In addition, SMSB also filed a Notice of Motion before the Court of Appeal to stay the effect and enforcement of the said notices of additional assessment pending the appeal on stay before the Court of Appeal.

23. Material Litigation/Contingent Liabilities (cont'd.)

On 6 March 2019, the Court of Appeal conducted the hearing, whereby both SMSB and Customs submitted their respective legal arguments. The Court of Appeal then instructed parties to file additional supplementary submission on one novel point of law before 20 March 2019. SMSB has already submitted the said supplementary submission. The Court of Appeal will inform parties once they are ready to deliver a decision.

In respect of sales tax and GST, on 12 December 2017, SMSB had also appealed to the Director-General of Customs in respect of the sales tax pursuant to Section 68 of the Sales Tax Act and had submitted an application to the Director-General in respect of GST pursuant to Section 124 of the GST Act. To-date, the matter is still pending a decision from the Director-General.

The Company, after consultation with its solicitors, strongly believes that there is no legal and/or factual basis for Customs Department to arrive at their decision to raise the said Bills of demand. This is especially so when SMSB's duty free shop is located after the last customs station en-route out of Malaysia and before the first customs station en-route into Malaysia, where no duties, sales tax and/or GST are payable.

The Company will make further announcement(s) if there is any material update on the above said matter.

24. Dividend Payable and Distributable

For the financial year ended 28 February 2019, the total dividends of RM0.20 per ordinary share paid by the Company amounted to RM50.73 million (In respect of year ended 28 February 2018: RM0.21 per ordinary share totaling RM53.27 million).

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

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 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	5,776	26,353	39,896	49,033
Number of ordinary shares in issue ('000)	253,650	253,650	253,650	253,650
Basic earnings per share (sen)	2.28	10.39	15.73	19.33

b. Diluted

There is no dilutive instrument issued by the Company. Accordingly, there is no diluted earnings per share.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2019

25. Significant Related Party Transactions

All related party transactions had been entered into the ordinary course of business on normal commercial terms.

The transactions with related company and related parties of the Group are set out below:

	Individual Quarter		Cumulative Quarter	
	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000	Ended 28-Feb-19 RM'000	Ended 28-Feb-18 RM'000
Purchases from Heinemann Asia Pacific Pte. Ltd. ("HAP")	84,440	65,376	260,320	244,160
Management fee paid/payable to HAP	680	701	1,341	2,199
Ad-space rental received/receivable from HAP	507	450	1,799	2,079
Reimbursement of costs from HAP (net)	653	361	3,931	4,244

* The transactions were in pursuant to the agreements as disclosed in Note 19(c).

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 25 April 2019.