



**ATLAN HOLDINGS BHD  
ANNOUNCEMENT TO BURSA MALAYSIA  
FOR THE FOURTH QUARTER ENDED  
28 FEBRUARY 2021**

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED 28 FEBRUARY 2021**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000
Revenue	<b>9</b>	125,857	215,112	388,301	835,265
Operating expenses		(122,629)	(204,768)	(394,047)	(773,248)
Other operating income		5,297	3,300	14,543	13,069
Net foreign exchange gain		495	1,169	709	4,014
Operating profit		9,020	14,813	9,506	79,100
Depreciation and amortisation		(5,459)	(6,162)	(21,349)	(23,069)
Impairment of goodwill		(7,242)	(11,524)	(10,066)	(11,524)
Impairment of property, plant and equipment and right-of-use assets		(2,158)	(6,812)	(2,158)	(6,812)
Finance costs		(1,978)	(2,495)	(8,359)	(9,835)
Share of results of an associate		-	(59)	(94)	(199)
(Loss)/Profit before taxation	<b>9, 17</b>	(7,817)	(12,239)	(32,520)	27,661
Taxation	<b>18</b>	(1,819)	(5,060)	(10,609)	(17,671)
(Loss)/Profit for the period		(9,636)	(17,299)	(43,129)	9,990
Attributable to:					
Equity holders of the parent		(6,588)	(13,036)	(28,185)	6,007
Non-controlling interests		(3,048)	(4,263)	(14,944)	3,983
		(9,636)	(17,299)	(43,129)	9,990
(Loss)/Earnings per share attributable to equity holders of the parent (sen)					
- Basic	<b>25</b>	(2.60)	(5.14)	(11.11)	2.37

*The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 29 February 2020 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 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000
(Loss)/Profit for the period	<u>(9,636)</u>	<u>(17,299)</u>	<u>(43,129)</u>	<u>9,990</u>
Other comprehensive income:				
- Remeasurement loss on defined benefit plans	73	(223)	73	(223)
- Foreign currency translation	<u>(835)</u>	<u>922</u>	<u>(963)</u>	<u>1,079</u>
Total comprehensive income for the period	<u>(10,398)</u>	<u>(16,600)</u>	<u>(44,019)</u>	<u>10,846</u>
Total comprehensive income attributable to:				
Equity holders of the parent	(7,119)	(12,623)	(28,862)	6,533
Non-controlling interests	<u>(3,279)</u>	<u>(3,977)</u>	<u>(15,157)</u>	<u>4,313</u>
	<u>(10,398)</u>	<u>(16,600)</u>	<u>(44,019)</u>	<u>10,846</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 29 February 2020 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 2021**

	(Unaudited)	(Audited)
	As at	As at
Note	28-Feb-21	29-Feb-20
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	136,294	138,871
Investment properties	28,458	30,199
Goodwill	5,818	15,884
Intangible assets	162	339
Investment in associates	355	448
Other investments	135	135
Prepayment	3,000	-
Deferred tax assets	5,545	5,287
Right-of-use assets	121,823	130,811
	<u>301,590</u>	<u>321,974</u>
<b>CURRENT ASSETS</b>		
Inventories	123,549	170,565
Biological assets	100	26
Capitalised contract costs	742	-
Trade and other receivables	83,945	105,668
Prepayments	3,256	3,382
Tax recoverable	6,690	3,818
Derivative assets	-	48
Marketable securities	2	2
Cash and bank balances	273,859	373,198
	<u>492,143</u>	<u>656,707</u>
<b>TOTAL ASSETS</b>	<u>793,733</u>	<u>978,681</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 28 FEBRUARY 2021 (CONT'D.)**

		(Unaudited)	(Audited)
	Note	As at 28-Feb-21 RM'000	As at 29-Feb-20 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		92,767	117,090
Contract liabilities		210	8,876
Employee benefits		578	774
Tax payable		3,887	2,359
Provision for restoration costs		235	439
Borrowings	20	33,980	66,459
Lease liabilities		962	2,297
Derivative liabilities		61	-
		<u>132,680</u>	<u>198,294</u>
<b>NET CURRENT ASSETS</b>		<u>359,463</u>	<u>458,413</u>
<b>NON-CURRENT LIABILITIES</b>			
Derivative liabilities		222	222
Employee benefits		2,153	2,455
Deferred tax liabilities		9,802	9,296
Provision for restoration costs		672	501
Borrowings	20	10,215	20,594
Lease liabilities		89,815	86,440
		<u>112,879</u>	<u>119,508</u>
<b>TOTAL LIABILITIES</b>		<u>245,559</u>	<u>317,802</u>
<b>NET ASSETS</b>		<u>548,174</u>	<u>660,879</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 28 FEBRUARY 2021 (CONT'D.)**

	(Unaudited)	(Audited)
	As at	As at
Note	28-Feb-21	29-Feb-20
	RM'000	RM'000
<b>EQUITY AND LIABILITIES (CONT'D.)</b>		
<b>EQUITY</b>		
Equity attributable to owners of the parent		
Share capital	356,528	356,528
Currency translation reserve	(343)	407
Other reserve	(50,567)	(50,895)
Retained earnings	126,845	193,005
	<u>432,463</u>	<u>499,045</u>
Non-controlling interests	115,711	161,834
<b>TOTAL EQUITY</b>	<u>548,174</u>	<u>660,879</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>793,733</u>	<u>978,681</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.70</u>	<u>1.97</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 29 February 2020 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 2021

	← 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
<b>At 1 March 2019</b>	356,528	(328)	(46,485)	208,732	518,447	167,073	685,520
Profit for the year	-	-	-	6,007	6,007	3,983	9,990
Other comprehensive income	-	735	-	(209)	526	330	856
	-	735	-	5,798	6,533	4,313	10,846
<b>Transactions with owners:</b>							
Changes of equity interest in subsidiaries							
- arising from accretion of equity interest in a subsidiary	-	-	(4,152)	1,993	(2,159)	(11,355)	(13,514)
- transfer to reserve	-	-	(258)	-	(258)	175	(83)
- disposal of equity shares of subsidiary to NCI without loss of control	-	-	-	1,847	1,847	6,153	8,000
Dividends on ordinary shares	-	-	-	(25,365)	(25,365)	-	(25,365)
Dividends paid to NCI by subsidiary	-	-	-	-	-	(4,525)	(4,525)
At 29 February 2020	356,528	407	(50,895)	193,005	499,045	161,834	660,879
<b>At 1 March 2020</b>	356,528	407	(50,895)	193,005	499,045	161,834	660,879
Loss for the year	-	-	-	(28,185)	(28,185)	(14,944)	(43,129)
Other comprehensive income	-	(750)	-	73	(677)	(213)	(890)
	-	(750)	-	(28,112)	(28,862)	(15,157)	(44,019)
<b>Transactions with owners:</b>							
Capital reduction of a subsidiary	-	-	-	-	-	(31,446)	(31,446)
Transfer to reserves	-	-	(1,338)	-	(1,338)	1,338	-
Transfer from payables	-	-	2,029	-	2,029	-	2,029
Effect of changes in shareholdings	-	-	(363)	-	(363)	(858)	(1,221)
Dividends on ordinary shares *	-	-	-	(38,048)	(38,048)	-	(38,048)
At 28 February 2021	356,528	(343)	(50,567)	126,845	432,463	115,711	548,174

\* Included the third interim single-tier dividend of RM25.365 million in relation to financial year ended 29 February 2020 which was paid out to shareholders on 22 May 2020.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 29 February 2020 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 2021**

	<b>12 MONTHS ENDED</b>	
	<b>28-Feb-21</b>	<b>29-Feb-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
(Loss)/Profit before taxation	(32,520)	27,661
Adjustments for:		
Bad debts written off	13	143
Changes in fair value of marketable securities	37	8
Changes in fair value of biological assets	(74)	77
Depreciation and amortisation	21,349	23,069
Gain on disposal of assets	(797)	(717)
Interest expense	8,359	9,835
Interest income	(6,128)	(11,625)
Inventories written off	334	1,848
Inventories written down	2,747	7,696
Impairment loss on receivables	805	2,519
Impairment of property, plant and equipment and right-of-use assets	2,158	6,812
Impairment of goodwill	10,066	11,524
Property, plant and equipment written off	84	812
Gain on lease modifications	(739)	-
Effect of lease concessions received	(206)	-
Reversal of inventories written down	(384)	(886)
Unrealised gain on foreign exchange (net)	(1,351)	(2,796)
Share of results of an associate	94	199
Operating cash flows before changes in working capital	3,848	76,179
Changes in working capital	31,363	973
Cash generated from operations	35,210	77,152
Tax paid	(11,727)	(14,151)
Employee benefits paid	(402)	(265)
Net cash flows generated from operating activities	23,082	62,736
<b>Investing activities</b>		
Acquisition of assets	(10,686)	(24,570)
Interest received	6,128	11,625
Repurchase of shares by a subsidiary	-	(5,514)
Proceeds from disposal of property, plant and equipment	921	1,339
Purchase of equity share of subsidiary from non-controlling interests	-	(8,000)
Liquidated in debt securities	-	30,000
Proceed from disposal of equity shares of subsidiary to non-controlling interests	-	8,000
Net cash flows (used in)/generated from investing activities	(3,638)	12,880



**ATLAN HOLDINGS BHD**

*(Company Number: 173250-W)*

*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED 28 FEBRUARY 2021 (CONT'D.)**

	12 MONTHS ENDED	
	28-Feb-21 RM'000	29-Feb-20 RM'000
<b>Financing activities</b>		
Increase in pledged fixed deposits	(321)	(272)
Capital repayment to non-controlling interests	(31,446)	-
Dividends paid to non-controlling interests of subsidiaries	-	(19,279)
Dividends paid to ordinary shareholders of the Company	(38,048)	(50,730)
Payment of lease payments	(1,669)	(2,067)
Interest paid	(2,570)	(4,523)
Net (repayment)/drawdown of borrowings	(42,929)	18,561
Hire purchase liabilities	(433)	(533)
Net cash flows used in financing activities	<u>(117,416)</u>	<u>(58,843)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(97,973)	16,773
<b>Effect of foreign exchange translation</b>	(1,758)	5,373
<b>Cash and cash equivalents at beginning of the period</b>	<u>359,733</u>	<u>337,587</u>
<b>Cash and cash equivalents at end of the period</b>	<u>260,002</u>	<u>359,733</u>
<b>Cash and cash equivalents at end of financial period</b>		
<b>comprise the following:</b>		
Cash and bank balances	273,859	373,198
Less: Pledged deposits	(12,786)	(12,465)
	<u>261,073</u>	<u>360,733</u>
Less: Bank overdraft	(1,071)	(1,000)
	<u>260,002</u>	<u>359,733</u>

**Reconciliation of liabilities arising from financing activities:**

	Carrying amount as at 1 March 2020 RM'000	Cash flows RM'000	Non-cash changes Others RM'000	Carrying amount as at 28 February 2021 RM'000
Term loans	59,178	(31,533)	-	27,645
Trade facilities	26,875	(11,396)	-	15,479
Lease liabilities				
- Hire purchase liabilities	658	(433)	-	225
- Other lease liabilities	88,079	(1,669)	4,142	90,552
Dividend payable	-	(38,048)	38,048	-
Total liabilities from financing activities	<u>174,790</u>	<u>(83,079)</u>	<u>42,190</u>	<u>133,901</u>

*The Condensed Consolidated Cash Flows Statement should be read in conjunction with the audited financial statements for the year ended 29 February 2020 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 28 FEBRUARY 2021**

**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 29 February 2020. 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 29 February 2020.

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 29 February 2020, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 March 2020:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Business Combination	1 January 2020
Amendment to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurements and MFRS 7 Financial Instruments: Disclosure – Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16 Leases - Covid-19-Related Rent Concession	1 June 2020

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

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

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

The Group has early adopted the Amendments to MFRS 16: Covid-19 Related Rent Concessions on 1 March 2020, which is effective for financial periods beginning on or after 1 June 2020.

As a practical expedient, the Group, as a lessee has elected not to assess whether a rent concession that meets conditions as set out in MFRS 16 in a lease modification. As such, any change in lease payments resulting from the rent concession shall be accounted as variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs and is recognised directly to profit or loss. The adoption of this amendment had no material impact to the financial statement under review.

**(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:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 16 Leases - Covid-19-Related Rent Concession beyond 30 June 2021	1 April 2021
Amendment to Annual Improvement to MFRS Standards 2018 -2020	1 January 2022
Amendments to MFRS 3 Business Combinations	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 101 Presentation of Financial Statements – Classifications of Liabilities as Current or Non-current	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**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 amendments will have no material impact on the financial statements in the period of initial application.

**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 29 February 2020 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**

Similar to the previous quarters, in the current quarter under review, the financial performance of duty-free segment of the Group had been severely affected as only certain outlets in the Group were in operations with the rest of the retail outlets at the Malaysia-Thailand border and airport outlets remained closed. Due to the projected significant adverse financial impact arising from the Covid-19 pandemic, the assets of the Group were re-assessed and re-measured. Consequently, certain property, plant and equipment and right-of-use assets, and goodwill had to be impaired in the current quarter under review, which were as follows;

	<b>Current Quarter</b>	<b>Cumulative Quarter</b>
	<b>28-Feb-21</b>	<b>28-Feb-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Impairment of goodwill	7,242	10,066
Impairment of property, plant and equipment and right-of-use assets	2,158	2,158
	<u>2,158</u>	<u>2,158</u>

Other than the above, there was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the financial quarter ended 28 February 2021.

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**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 28 February 2021.

**8. Dividends Paid and Distributed**

On 11 November 2020, the Company declared a first interim single tier ordinary dividend of 5.0 sen per share in respect of the financial year ended 28 February 2021 amounting to RM12.68 million which was paid on 10 December 2020.

**9. Segmental Information**

	Individual Quarter			Cumulative Quarter		
	Ended	Ended	+ / (-)	Ended	Ended	+ / (-)
	28-Feb-21	29-Feb-20		28-Feb-21	29-Feb-20	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Segment Revenue</b>						
Duty free	75,079	169,626	(55.7%)	223,471	616,647	(63.8%)
Automotive	47,495	38,432	23.6%	149,992	188,600	(20.5%)
Property and hospitality	3,307	5,946	(44.4%)	14,097	24,121	(41.6%)
Investment holding	553	6,687	(91.7%)	3,064	27,127	(88.7%)
Others	985	2,191	(55.0%)	5,080	7,391	(31.3%)
	<u>127,419</u>	<u>222,882</u>	<u>(42.8%)</u>	<u>395,704</u>	<u>863,886</u>	<u>(54.2%)</u>
Eliminations	<u>(1,562)</u>	<u>(7,770)</u>	<u>(79.9%)</u>	<u>(7,403)</u>	<u>(28,621)</u>	<u>(74.1%)</u>
Group revenue	<u>125,857</u>	<u>215,112</u>	<u>(41.5%)</u>	<u>388,301</u>	<u>835,265</u>	<u>(53.5%)</u>
<b>Segment Results</b>						
Duty free	(8,487)	(9,231)	(8.1%)	(34,347)	19,202	(278.9%)
Automotive	4,452	(157)	N/A	11,286	13,119	(14.0%)
Property and hospitality	(1,302)	(1,565)	(16.8%)	(604)	1,812	(133.3%)
Investment holding	(1,401)	(321)	336.4%	(4,375)	554	(889.7%)
Others	<u>(1,079)</u>	<u>(965)</u>	<u>11.8%</u>	<u>(4,480)</u>	<u>(7,026)</u>	<u>(36.2%)</u>
(Loss)/Profit before taxation	<u>(7,817)</u>	<u>(12,239)</u>	<u>(36.1%)</u>	<u>(32,520)</u>	<u>27,661</u>	<u>(217.6%)</u>

N/A: more than thousands

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;

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**9. Segmental Information (cont'd.)**

- (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) Similar to the previous quarter, the Duty Free's retail outlets have remained closed following the imposition of the nationwide and border movement controls by Malaysian Government to curb the outbreak of Covid-19 in Malaysia. As at the date of this announcement, Conditional Movement Control Order ("CMCO"), Recovery Movement Control Order ("RMCO") and restrictions on interstate and lockdown on border travel have remained in-force throughout the nation. Only certain outlets of the Group were in operations, with strict compliance to the SOPs in the current quarter under review. The outlets that were in operations experienced an overall decline in sales due to subdued consumer demand. Consequently, the Group experienced a significant reduction in revenue in the current quarter and cumulative quarter.
- (b) The revenue from the Automotive segment in the current quarter under review was higher as compared to the corresponding quarter in the previous financial year due to higher orders received from customers.

The significant drop in revenue for the cumulative quarter as compared to the corresponding cumulative quarter in the previous year was mainly due to the cessation of factory operations for 2 months following the imposition of MCO and CMCO and only resumed operations at half the plant capacity from mid May 2020 to end of June 2020. The plant resumed operations in full capacity from July 2020 onwards.

- (c) Drop in revenue from Property and hospitality segment in the current quarter and cumulative quarter as compared to the corresponding periods in the previous financial year was mainly due to the cessation of the hotel operations with effect from 30 June 2020.
- (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. Lower revenue reported in current quarter and cumulative quarter under review as compared to the corresponding quarter and cumulative quarter in the previous financial year mainly due to no dividend income receivable from operating subsidiaries.
- (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.

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**9. Segmental Information (cont'd.)**

**Segment Results**

- (a) Duty free segment reported loss before taxation in current quarter and cumulative quarter similar to that of the corresponding quarter and cumulative quarter in the previous financial year. Since mid-March 2020, Duty free segment's business operations and performance had been adversely affected by the non-operations of outlets at the Malaysia Thailand border and airport outlets and much lower revenue from outlets that remained open as mentioned above. As a result, gross profit had reduced significantly from the much-reduced revenue and was insufficient to offset the fixed costs, ie. rental expenses and payroll related expenses. In addition, the Duty free Group had a recognised impairment loss (non-cash item) of goodwill of RM7.2 million (4QFY2020: RM11.5 million) in the current reporting quarter and RM10.1 million for the cumulative quarter (FY2020: RM11.5 million).
- (b) In the Automotive segment, profit of RM4.4 million was reported in the current quarter under review, an improvement of RM4.6 million compared to the same corresponding quarter in FY2020 mainly due to the Automotive segment reported higher revenue with lower distribution costs and professional fees incurred.

Lower profit reported in cumulative quarter as compared to the corresponding cumulative quarter in the previous year was primarily due to the cessation of factory operations for approximately two months in 1QFY2021.

- (c) In the Property and hospitality segment, lower loss was reported in the current quarter mainly due to lower impairment of property, plant and equipment and right-of-use assets amounting to RM1.9 million as compared to impairment of property, plant and equipment and right-of-use assets of RM3.1 million in the same corresponding period in the previous financial year. In the cumulative quarter of FY2021, pre-tax loss of RM0.6 million was registered as compared to the cumulative pre-tax profit of RM1.8 million in FY2020 largely due to the hotel division registered pre-tax operating loss of RM3.4 million in the cumulative quarter FY2021 as compared to cumulative pre-tax loss of RM0.4 million in FY2020.
- (d) Investment holding segment incurred higher loss before tax of RM1.4 million in the current quarter under review as compared to pre-tax loss of RM0.3 million in the corresponding quarter in the previous financial year. The loss was mainly attributed by lower interest income earned of RM0.2 million for the quarter ended 28 February 2021 as compared to RM1.3 million interest income earned in the corresponding quarter ended 29 February 2020.

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**9. Segmental Information (cont'd.)**

**Segment Results (cont'd.)**

Pre-tax loss of RM4.4 million was registered in current cumulative quarter as compared to profit before tax of RM0.6 million reported in the corresponding cumulative quarter in the previous financial year. The loss was mainly due to lower interest income earned of RM1.4 million as compared to RM6.5 million interest income earned in the previous year's corresponding period.

- (e) In the Others segment, pre-tax losses reported in current quarter of RM1 million was comparable to the corresponding quarter and as for the cumulative quarter, the pre-tax loss of RM4.4 million was lower than the cumulative pre-tax loss of RM7.0 million the previous financial year was mainly due to lower operating expenses incurred in FY2021.

**10. Significant and Subsequent Events**

There were no material events during and subsequent to the current quarter ended 28 February 2021.

**11. Changes in Composition of the Group**

On 14<sup>th</sup> January 2021, a wholly owned subsidiary of the Company, Atlan Orient Sdn Bhd acquired 30 ordinary shares representing 30% equity interest in Securenik Solutions Sdn Bhd ("SSSB") for a cash consideration of RM30.00. SSSB has been dormant since its date of incorporation on 4<sup>th</sup> December 2020.

Other than the above, there were no changes in the composition of the Group during the current quarter ended 28 February 2021.

**12. Commitments**

The amount of commitments not provided for in the interim financial statements as at 28 February 2021 were as follows:

Capital commitments

	<b>RM'000</b>
Purchase of property, plant and equipment:	
Approved and contracted for	13,899
Approved but not contracted for	17,959
	<u>31,858</u>



**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**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**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	
	<b>28-Feb-21</b>	<b>30-Nov-20</b>	<b>+/(-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	125,857	99,421	26.6%
Operating profit	9,020	2,632	242.7%
Loss before interest expenses and tax	(5,839)	(2,526)	131.2%
Loss before tax	(7,817)	(4,511)	73.3%
Loss after tax	(9,636)	(12,166)	(20.8%)
Loss attributable to equity holders of the parent	(6,588)	(7,917)	(16.8%)

Revenue for the quarter under review of 125.9 million was higher as compared to the preceding quarter ended 30 November 2020 of RM99.4 million. The increase in revenue was largely due to higher revenue reported by the Duty-free segment mainly from export sales by the Duty-Free Group.

The Group incurred a loss before tax of RM7.8 million in the quarter under review as compared to the preceding quarter ended 30 November 2020 pre-tax loss of RM4.5 million. The increase in loss of RM3.3 million registered in the quarter under review was mainly due to recognition of impairment loss on goodwill of RM7.2 million and impairment of property, plant and equipment and right-of-use assets of RM2.1 million. The negative effect was partially off set by rental rebate received from certain landlord of RM4 million and lower other operating expenses incurred in FY2021.

**15. Commentary on Prospects**

The global outbreak of Covid-19 pandemic from the beginning of year 2020 coupled with the imposition of the MCO, CMCO and RMCO by the Malaysian Government since 18 March 2020 had been especially tough and challenging for the Duty-Free business segment. Even though with the current gradual relaxation of the control movements in Malaysia and also

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**15. Commentary on Prospects (cont'd.)**

commencement of vaccination across the nation since February 2021, the Group expects the duty free business environment to remain challenging in the next twelve months due to the uncertainties surrounding the timing of the re-opening of the borders and the cautious and muted consumer spending even when Malaysia eases into economy recovery mode.

As for the automotive industry, the Group's Automotive segment is currently operating under strict compliance of the SOPs and is cautiously optimistic that it will be able to respond to the current challenges positively so long as there is no full lockdown on movement imposed by the Government to curb the spread of Covid-19 pandemic.

In view of the above factors and the immense challenges created by the Covid-19 pandemic, the Group's financial performance is expected to be challenging in the next twelve months.

Since April 2020, the Group had taken immediate and pre-emptive measures to mitigate its impact by implementing an aggressive cost optimisation plan which has kept and will continue to keep the Group relatively stable. The cost containment measures involved recalibrating operational efficiencies i.e. rebasing cost and prioritising capital expenditure to conserve cash reserves and ensure that the Group is able to meet its financial and operational obligations. A series of cost cutting measures had been carried out on the Group's operating overheads and fixed costs which included downsize of manpower, closure of non-profitable outlets, deferral of all discretionary expenses and non-critical capital expenditures, whilst at the same time ensuring SOPs are being complied throughout the Group.

The Group will continue to strategise, adapt and navigate through the challenging business environment and endeavor to take timely appropriate actions in order to minimise operating risks and maximise its resources.

**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 28 FEBRUARY 2021**

**17. (Loss)/Profit Before Taxation**

Included in the (loss)/profit before taxation are the following items:

	Individual Quarter		Cumulative Quarter	
	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000
Bad debts written off	-	143	13	143
Changes in fair value of marketable securities	16	(36)	37	8
Changes in fair value of biological assets	(52)	71	(74)	77
Gain on disposal of property, plant and equipment	(794)	(606)	(797)	(717)
Depreciation and amortisation	5,458	6,162	21,349	23,069
Interest expense	1,979	2,495	8,359	9,835
Interest income	(1,379)	(2,680)	(6,128)	(11,625)
Inventories written down	268	7,140	2,747	7,696
Inventories written off	221	1,204	334	1,848
Impairment loss on receivables	178	2,519	805	2,519
Impairment of property, plant and equipment and right-of-use assets	2,158	6,812	2,158	6,812
Impairment loss on goodwill	7,242	11,524	10,066	11,524
Reversal of inventories written down	(171)	(751)	(384)	(886)
Property, plant and equipment written off	-	3	84	812
Gain on lease modifications	(739)	-	(739)	-
Realised foreign exchange (gain)/loss (net)	(36)	(1,321)	642	(1,218)
Unrealised foreign exchange (gain)/loss (net)	(459)	152	(1,351)	(2,796)

**18. Taxation**

	Individual Quarter		Cumulative Quarter	
	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000	Ended 28-Feb-21 RM'000	Ended 29-Feb-20 RM'000
Income tax				
- current period provision	1,848	7,177	5,581	19,137
- (over)/under provision in prior periods	(176)	40	4,800	(1,756)
Deferred taxation	147	(2,157)	228	(570)
Real property gains tax	-	-	-	860
	<u>1,819</u>	<u>5,060</u>	<u>10,609</u>	<u>17,671</u>

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**18. Taxation (cont'd.)**

Although the Group reported a loss in the current quarter and cumulative quarter under review, there was still a provision for income tax due to certain expenses being disallowed for tax purposes.

**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 27 April 2021, the Company's subsidiary, Duty Free International Limited ("DFIL"), which is listed on the Singapore Exchange Securities Trading Limited, announced that the proposal to seek dual primary listing on the main board of the Stock Exchange of Hong Kong Limited as announced on 15 July 2015 and 20 July 2015, has been aborted in view of the current adverse impact of the Covid-19 pandemic on the global economy particularly, in relation to the tourism and travel related industry.

**20. Borrowings and Debt Securities**

	As at 28-Feb-21 RM'000	As at 29-Feb-20 RM'000
Short Term Borrowings - Secured		
- Overdraft	1,071	1,000
- Trade facilities	15,479	26,875
- Term loan	17,430	38,584
	<u>33,980</u>	<u>66,459</u>
Long Term Borrowings - Secured		
- Term loan	<u>10,215</u>	<u>20,594</u>
<b>Total Group's borrowings</b>	<u>44,195</u>	<u>87,053</u>

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**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

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 28 February 2021</b>				
<b>Financial asset:</b>				
Marketable securities	2	-	-	2
<b>Financial liabilities:</b>				
Derivatives				
- Put/Call options on subsidiary shares	-	222	-	222
- Forward foreign exchange contracts	-	61	-	61
<b>Non-financial assets:</b>				
Biological assets	-	-	100	100
<b>At 29 February 2020</b>				
<b>Financial assets:</b>				
Marketable securities	2	-	-	2
Derivatives				
- Forward foreign exchange contracts	-	48	-	48
<b>Financial liabilities:</b>				
Derivatives				
- Put/Call options on subsidiary shares	-	222	-	222
<b>Non-financial asset:</b>				
Biological assets	-	-	26	26

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**21. Fair Value Hierarchy (cont'd.)**

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.

The carrying amounts of other categories of financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

**22. Derivative Financial Instruments**

**Derivative financial instruments**

	Notional Amount RM'000	Fair value RM'000	Assets RM'000	Liabilities RM'000
<b>At 28 February 2021</b>				
Forward foreign exchange contracts				
- Less than 1 year	3,428	61	-	61
Put/Call options on subsidiary shares				
- More than 5 years	222	222	-	222
<b>At 29 February 2020</b>				
Forward foreign exchange contracts				
- Less than 1 year	1,878	48	48	-
Put/Call options on subsidiary shares				
- More than 5 years	222	222	-	222

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 year ended 28 February 2021, the Group recognised a loss on forward foreign exchange contracts of RM44,000 and RM109,000 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 was in relation to the fair value of put/call options of the remaining 22% stake in the Brand Connect Holding Pte. Ltd..

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**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 from the Royal Malaysian Customs ("Customs"), 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 who alleged that SMSB did not comply with certain conditions of a duty-free shop located at the border.

On 29 June 2018, the High Court ruled against 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 6 March 2019, the Court of Appeal heard the appeal whereby both SMSB and the Customs submitted their respective legal arguments.

On 18 June 2020, the Court of Appeal unanimously ruled in favour of SMSB's appeal against the decision of the High Court and quashed the bills of demand issued by the Customs for customs duties and excise duties amounting to RM15,400,962.14 and RM23,560,972.94 respectively.

On 17 July 2020, the Customs applied to the Federal Court for leave to appeal against the Court of Appeal's decision. The Federal Court heard and dismissed the Customs' application on 11 January 2021 with costs.

Accordingly, the disputed bills of demand were set aside and SMSB has no obligation to pay the Customs the sum of RM41,594,986.86 as demanded by the Customs. In light of the Federal Court's ruling in favour of SMSB, an application was made to the Customs for the refund of the sales tax and GST paid amounting to RM2,326,451.78, which was previously paid by SMSB to the Customs.

On 25 February 2021, the Royal Malaysian Customs ("Customs") initiated criminal proceedings pursuant to Section 65D and Section 138 of the Customs Act 1967 ("Customs Act") towards SMSB and its officers before the Magistrate Court. The Company has engaged solicitors to represent SMSB and its officers.

The criminal charges were made on the basis that SMSB and its officers had breached the conditions of the duty-free licence issued by Customs to SMSB under Section 65D of the Customs Act.

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

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

However, as previously announced, the legality of the conditions that were allegedly breached was challenged by SMSB through a judicial review application (civil proceeding) on 23 November 2017. On 18 June 2020, the conditions were unanimously held by the Court of Appeal to be ultra-vires of Section 65D of the Customs Act and that they ought to be quashed. On 11 January 2021, the Federal Court had dismissed Customs' appeal against the Court of Appeal's decision with costs. Customs had exhausted its rights to appeal and the conditions were conclusively quashed.

Thus, SMSB and its officers had pleaded not guilty and had claimed trial against these charges brought by Customs.

On 12 March 2021, a representation letter was sent to the Attorney General ("AG"), requesting the AG to discontinue criminal proceedings against SMSB and its officers. On 6 April 2021, the representation letter dated 12 March 2021 was rejected by the AG. The Deputy Public Prosecutor ("DPP") then proposed to amend the charges against SMSB and its officers, jointly.

On 8 April 2021, the DPP withdrew the proposed amended charges as the proposed amended charges were defective since the proposed amended charges could not be read to all SMSB's officers. One of SMSB's officers was not present in Court to hear the proposed amended charges against him.

The Magistrate Court then fixed the next case management on 3 June 2021.

**24. Dividend Payable and Distributable**

For the financial year ended 28 February 2021, the total dividends of RM0.05 per ordinary share paid by the Company amounted to RM12.68 million (12 month period ended 29 February 2020: RM0.20 per ordinary share totalling RM50.73 million).



**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2021**

**25. (Loss)/Earnings Per Share**

a. Basic

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>28-Feb-21</b>	<b>29-Feb-20</b>	<b>28-Feb-21</b>	<b>29-Feb-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(6,588)	(13,036)	(28,185)	6,007
Number of ordinary shares in issue ('000)	<u>253,650</u>	<u>253,650</u>	<u>253,650</u>	<u>253,650</u>
Basic (loss)/earnings per share (sen)	<u>(2.60)</u>	<u>(5.14)</u>	<u>(11.11)</u>	<u>2.37</u>

b. Diluted

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

**26. 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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>28-Feb-21</b>	<b>29-Feb-20</b>	<b>28-Feb-21</b>	<b>29-Feb-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Purchases from Heinemann Asia Pacific Pte. Ltd. ("HAP")	39,950	81,061	95,172	252,461
Management fee paid/payable to HAP	430	607	1,147	1,188
Ad-space rental received/receivable from HAP	743	437	814	1,879
Reimbursement of costs from HAP (net)	<u>393</u>	<u>1,718</u>	<u>3,087</u>	<u>4,638</u>

The transactions disclosed above were in pursuant to the agreements entered with HAP.

**ATLAN HOLDINGS BHD – 173250 W**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2021**

**27. 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 2021.