



**ATLAN HOLDINGS BHD  
ANNOUNCEMENT TO BURSA MALAYSIA  
FOR THE FOURTH QUARTER ENDED  
28 FEBRUARY 2022**

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED 28 FEBRUARY 2022**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Ended 28-Feb-22 RM'000	Ended 28-Feb-21 RM'000	Ended 28-Feb-22 RM'000	Ended 28-Feb-21 RM'000
Revenue	<b>9</b>	80,173	125,857	257,242	388,301
Operating expenses		(80,483)	(122,633)	(253,941)	(394,051)
Other operating income		10,058	5,297	17,115	14,543
Net foreign exchange gain		61	495	3,402	709
Operating profit		9,809	9,016	23,818	9,502
Depreciation and amortisation		(5,091)	(5,456)	(19,720)	(21,347)
Impairment of goodwill		-	(7,242)	-	(10,066)
Impairment of property, plant and equipment and right-of-use assets		-	(2,157)	-	(2,157)
Finance costs		(1,787)	(1,978)	(7,749)	(8,359)
Share of results of an associate		(65)	-	(199)	(93)
Profit/(Loss) before taxation	<b>9, 17</b>	2,866	(7,817)	(3,850)	(32,520)
Taxation	<b>18</b>	1,686	(1,819)	(529)	(10,609)
Profit/(Loss) for the period		4,552	(9,636)	(4,379)	(43,129)
Attributable to:					
Equity holders of the parent		3,864	(6,588)	(793)	(28,185)
Non-controlling interests		688	(3,048)	(3,586)	(14,944)
		4,552	(9,636)	(4,379)	(43,129)
Profit/(Loss) per share attributable to equity holders of the parent (sen)					
- Basic	<b>25</b>	1.52	(2.60)	(0.31)	(11.11)

*The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2021 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 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Ended 28-Feb-22 RM'000	Ended 28-Feb-21 RM'000	Ended 28-Feb-22 RM'000	Ended 28-Feb-21 RM'000
Profit/(Loss) for the period	4,552	(9,636)	(4,379)	(43,129)
Other comprehensive income:				
- Remeasurement loss on defined benefit plans	(70)	73	(70)	73
- Foreign currency translation	442	(835)	801	(963)
Total comprehensive income for the period	4,924	(10,398)	(3,648)	(44,019)
Total comprehensive income attributable to:				
Equity holders of the parent	4,133	(7,119)	(301)	(28,862)
Non-controlling interests	791	(3,279)	(3,347)	(15,157)
	4,924	(10,398)	(3,648)	(44,019)

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 28 February 2021 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 2022**

	(Unaudited)	(Audited)
	As at	As at
Note	28-Feb-22	28-Feb-21
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	133,124	136,294
Investment properties	30,887	28,458
Goodwill	5,818	5,818
Intangible assets	-	162
Investment in associates	156	355
Other investments	134	135
Prepayment	3,500	3,000
Deferred tax assets	7,926	5,545
Right-of-use assets	112,882	121,823
	<u>294,427</u>	<u>301,590</u>
<b>CURRENT ASSETS</b>		
Inventories	110,706	123,549
Biological assets	155	100
Capitalised contract costs	1,688	742
Trade and other receivables	77,667	87,194
Prepayments	2,340	3,559
Tax recoverable	10,456	6,616
Marketable securities	2	2
Cash and bank balances	217,673	273,859
	<u>420,687</u>	<u>495,621</u>
<b>TOTAL ASSETS</b>	<u>715,114</u>	<u>797,211</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 28 FEBRUARY 2022 (CONT'D.)**

		(Unaudited)	(Audited)
	Note	As at 28-Feb-22 RM'000	As at 28-Feb-21 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		70,338	96,319
Contract liabilities		-	210
Employee benefits		408	578
Tax payable		485	3,813
Provision for restoration costs		110	235
Borrowings	20	27,758	33,980
Lease liabilities		555	1,027
Derivative liabilities		-	61
		<u>99,654</u>	<u>136,223</u>
<b>NET CURRENT ASSETS</b>		<u>321,033</u>	<u>359,398</u>
<b>NON-CURRENT LIABILITIES</b>			
Derivative liabilities		222	222
Employee benefits		2,218	2,153
Deferred tax liabilities		9,721	9,802
Provision for restoration costs		672	672
Borrowings	20	21,593	10,215
Lease liabilities		95,560	89,750
		<u>129,986</u>	<u>112,814</u>
<b>TOTAL LIABILITIES</b>		<u>229,640</u>	<u>249,037</u>
<b>NET ASSETS</b>		<u>485,474</u>	<u>548,174</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 28 FEBRUARY 2022 (CONT'D.)**

	(Unaudited)	(Audited)
	As at	As at
Note	28-Feb-22	28-Feb-21
	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	219	(343)
Other reserve	(78,102)	(50,567)
Retained earnings	113,299	126,845
	<u>391,944</u>	<u>432,463</u>
Non-controlling interests	93,530	115,711
<b>TOTAL EQUITY</b>	<u>485,474</u>	<u>548,174</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>715,114</u>	<u>797,211</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.55</u>	<u>1.70</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 28 February 2021 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 2022**

	← 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 2020</b>	356,528	407	(50,895)	193,005	499,045	161,834	660,879
Loss for the period	-	-	-	(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 to 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
<b>At 1 March 2021</b>	356,528	(343)	(50,567)	126,845	432,463	115,711	548,174
Loss for the period	-	-	-	(793)	(793)	(3,586)	(4,379)
Other comprehensive income	-	562	-	(70)	492	239	731
	-	562	-	(863)	(301)	(3,347)	(3,648)
<b>Transactions with owners:</b>							
Transfer to reserves	-	-	(401)	-	(401)	401	-
Effect of changes in shareholdings	-	-	(27,134)	-	(27,134)	(18,785)	(45,919)
Dividends on ordinary shares	-	-	-	(12,683)	(12,683)	-	(12,683)
Dividends paid to NCI by a subsidiary	-	-	-	-	-	(450)	(450)
At 28 February 2022	356,528	219	(78,102)	113,299	391,944	93,530	485,474

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 28 February 2021 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 2022**

	<b>12 MONTHS ENDED</b>	
	<b>28-Feb-22</b>	<b>28-Feb-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Loss before taxation	(3,850)	(32,520)
Adjustments for:		
Bad debts written off	47	13
Changes in fair value of marketable securities	46	37
Changes in fair value of biological assets	(55)	(74)
Depreciation and amortisation	19,720	21,347
Gain on disposal of property, plant and equipment	(762)	(796)
Interest expense	7,749	8,359
Interest income	(5,126)	(6,128)
Inventories written off	77	334
Inventories written down	198	2,745
Impairment loss on receivables	101	805
Impairment loss on goodwill	-	10,066
Impairment loss on property, plant and equipment	-	2,073
Impairment loss on right-of-use asset	-	84
Reversal of inventories written down	(6,038)	(384)
Reversal of impairment loss on receivables	(214)	(8)
Reversal of short term accumulating compensated absences	(55)	-
Property, plant and equipment written off	25	85
Gain on lease terminations	-	(739)
Effect of lease concessions received	(218)	(216)
Unrealised gain on foreign exchange (net)	(3,517)	(1,351)
Share of results of an associate	199	93
Operating cash flows before changes in working capital	8,328	3,825
Changes in working capital	(911)	30,423
Cash generated from operations	7,417	34,248
Tax paid	(10,138)	(11,727)
Employee benefits paid	(198)	(403)
Net cash flows (used in)/generated from operating activities	(2,919)	22,118
<b>Investing activities</b>		
Acquisition of assets	(9,635)	(10,692)
Interest received	5,126	6,128
Proceeds from disposal of property, plant and equipment	767	921
Payment for acquisition of equity interest in a subsidiary, net of cash acquired	(45,919)	-
Net cash flows used in investing activities	(49,661)	(3,643)



**ATLAN HOLDINGS BHD**

*(Company Number: 173250-W)*

*(Incorporated in Malaysia)*

**CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED)  
FOR THE PERIOD ENDED 28 FEBRUARY 2022 (CONT'D.)**

	<b>12 MONTHS ENDED</b>	
	<b>28-Feb-22</b>	<b>28-Feb-21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financing activities</b>		
Increase in pledged fixed deposits	(154)	(321)
Capital repayment to non-controlling interests	-	(31,446)
Dividends paid to non-controlling interests of subsidiary	(450)	-
Dividends paid to ordinary shareholders of the Company	(12,683)	(38,048)
Payment of lease payments	(890)	(1,568)
Interest paid	(1,665)	(2,664)
Net drawdown/(repayment) of borrowings	6,598	(42,929)
Hire purchase liabilities	(97)	(434)
Net cash flows used in financing activities	<u>(9,340)</u>	<u>(117,410)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(61,920)</b>	<b>(98,935)</b>
<b>Effect of foreign exchange translation</b>	<b>6,651</b>	<b>(796)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>260,002</b>	<b>359,733</b>
<b>Cash and cash equivalents at end of the period</b>	<b><u>204,733</u></b>	<b><u>260,002</u></b>
<b>Cash and cash equivalents at end of financial period</b>		
<b>comprise the following:</b>		
Cash and bank balances	217,673	273,859
Less: Pledged deposits	(12,940)	(12,786)
	<u>204,733</u>	<u>261,073</u>
Less: Bank overdraft	-	(1,071)
	<u>204,733</u>	<u>260,002</u>

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

	<b>Carrying amount as at 1 March 2021 RM'000</b>	<b>Cash flows RM'000</b>	<b>Non-cash changes Others RM'000</b>	<b>Carrying amount as at 28 February 2022 RM'000</b>
Term loans	27,645	545	(371)	27,819
Trade facilities	15,479	6,053	-	21,532
Lease liabilities				
- Hire purchase liabilities	225	(97)	-	128
- Other lease liabilities	90,552	(890)	6,325	95,987
Dividend payable	-	(12,683)	12,683	-
Total liabilities from financing activities	<u>133,901</u>	<u>(7,072)</u>	<u>18,637</u>	<u>145,466</u>

*The Condensed Consolidated Cash Flows Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2021 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 2022**

**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 2021. 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 2021.

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 2021, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 March 2021:

<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 Concessions beyond 30 June 2021	1 April 2021

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.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**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:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
Amendment to Annual Improvement to MFRS Standards 2018 -2020	1 January 2022
Amendments to MFRS 3 Business Combinations – References to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts-Cost of Fulfilling a Contract	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 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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

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 28 February 2021 was not qualified.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**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**

The prolonged Covid-19 pandemic continues to have a negative impact on the Group's business operations, particularly the travel related segment. Consequently, similar to the previous quarters, the Group's financial performance had been affected during the quarter under review.

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 2022.

**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 2022.

**8. Dividends Paid and Distributed**

On 26 August 2021, the Company declared a first interim single tier ordinary dividend of 5.0 sen per share in respect of the financial year ending 28 February 2022 amounting to RM12.68 million which was paid on 24 September 2021.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2022**

**9. Segmental Information**

	Individual Quarter			Cumulative Quarter		
	Ended	Ended	+/(-) %	Ended	Ended	+/(-) %
	28-Feb-22 RM'000	28-Feb-21 RM'000		28-Feb-22 RM'000	28-Feb-21 RM'000	
<b>Segment Revenue</b>						
Duty free	30,396	75,079	(59.5%)	98,029	223,471	(56.1%)
Automotive	47,285	47,495	(0.4%)	147,504	149,992	(1.7%)
Property and hospitality	2,534	3,307	(23.4%)	11,786	14,097	(16.4%)
Investment holding	2,470	553	346.7%	3,945	3,064	28.8%
Others	3,770	985	282.7%	7,584	5,080	49.3%
	<u>86,455</u>	<u>127,419</u>	<u>(32.1%)</u>	<u>268,848</u>	<u>395,704</u>	<u>(32.1%)</u>
Eliminations	(6,282)	(1,562)	302.2%	(11,606)	(7,403)	56.8%
Group revenue	<u>80,173</u>	<u>125,857</u>	<u>(36.3%)</u>	<u>257,242</u>	<u>388,301</u>	<u>(33.8%)</u>
<b>Segment Results</b>						
Duty free	892	(8,487)	N/A	(8,911)	(34,347)	(74.1%)
Automotive	5,506	4,452	23.7%	8,584	11,286	(23.9%)
Property and hospitality	903	(1,302)	N/A	3,595	(604)	N/A
Investment holding	(379)	(1,401)	(72.9%)	(146)	(4,375)	(96.7%)
Others	(4,056)	(1,079)	275.9%	(6,972)	(4,480)	55.6%
Profit/(Loss) before taxation	<u>2,866</u>	<u>(7,817)</u>	<u>N/A</u>	<u>(3,850)</u>	<u>(32,520)</u>	<u>(88.2%)</u>

N/A: Not applicable

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.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

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

**Segment Revenue**

- (a) The Duty free segment recorded revenue of RM30.4 million in 4QFY2022 and RM98.0 million in the cumulative quarter FY2022, representing a decrease of 59.5% and 56.1% respectively over the revenue of RM75.1 million in 4QFY2021 and RM223.5 million in cumulative quarter FY2021. The decrease was mainly due to the non-operations of the majority of the Group's retail outlets in Malaysia in the current quarter under review. Only three outlets in the Group were in operations when the respective outlet locations went into Phase Four of National Recovery Plan ("NRP") in beginning December 2021. However, these outlets recorded very low sales due to subdued consumer demand. In the previous year corresponding quarter, certain outlets in the Group that were not at the Malaysia-Thai border and the airports were opened and were operating with strict compliance to the Standard Operating Procedures ("SOPs") guidelines issued by Ministry of Health.
- (b) The revenue from the Automotive segment in the current quarter under review and the cumulative quarter FY2022 was slightly lower as compared to the corresponding quarter and cumulative quarter in the previous financial year FY2021 mainly due to lesser orders received from customers.
- (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 lower occupancy rate of the Property coupled with 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. Higher revenue reported in current quarter and cumulative quarter under review as compared to the corresponding quarter and cumulative quarter in the previous financial period was mainly due to dividend income received from subsidiaries and higher interest income.
- (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 2022**

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

**Segment Results**

- (a) Duty free segment reported a profit before taxation of RM0.9 million in current quarter under review and lower loss before taxation of RM8.9 million in the cumulative quarter as compared to loss before taxation of RM8.5 million in 4QFY2021 and RM34.3 million in cumulative quarter YTD FY2021. The improvement was mainly due to the absence of impairment of goodwill and property, plant and equipment amounting to a total of RM8.9 million, decrease in depreciation and amortisation expenses of RM0.6 million and decrease in rental expenses of RM0.6 million.
- (b) Automotive segment registered a profit before taxation of RM5.5 million in the current quarter under review as compared to profit before taxation of RM4.5 million in 4QFY2021. The improvement in the profit before taxation in current quarter under review was mainly due to lower material consumption cost and lower labour costs incurred. However, the Automotive segment recorded lower profit before tax for the cumulative quarter FY2022 of RM8.6 million as compared to RM11.3 million in the corresponding period in the previous financial year FY2021. The lower cumulative FY2022 profit before taxation reported was mainly due to higher manufacturing overhead costs, higher labour costs and higher depreciation charges incurred.
- (c) In the Property and hospitality segment, profit before taxation was registered in the current quarter and cumulative quarter despite lower revenue as mentioned above was mainly attributed to the absence of impairment of property, plant and equipment amounting RM2.0 million coupled with no loss registered by the hotel segment in the current quarter under review as the hotel had ceased operations since 30 June 2020. The hotel operations incurred a pre-tax loss of RM2.3 million in 4QFY2021 and RM5.1 million in the cumulative quarter FY2021.
- (d) Investment holding segment reported lower loss in current quarter under review and current cumulative quarter as compared to the corresponding quarter and cumulative quarter in the previous financial year. The lower loss was mainly due to higher net gain in foreign exchange amounting RM3.4 million reported in FY2022 as compared to a net gain in foreign exchange amounting RM0.7 million reported in FY2021.
- (e) In the Others segment, higher losses reported in current quarter and cumulative quarter as compared to the corresponding quarter and cumulative quarter in the previous financial period mainly due to higher expenses incurred in FY2022.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**10. Significant and Subsequent Events**

On 11 April 2022, the Company announced that Duty Free International Limited (“DFI”), a subsidiary of the Company, had announced and also sent a Notice to the Warrant Holders of DFI that in accordance with the terms and conditions of the Warrants set out in the Deed Poll, the rights to subscribe for new shares in the capital of the DFI by way of exercise of the Warrants will expire at 5.00 p.m. on Friday, 13 May 2022, being the Market Day immediately preceding the fifth anniversary of the date of issue of the Warrants.

Other than the above, there were no material events during and subsequent to the current quarter ended 28 February 2022.

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

- (a) On 7 December 2021, the Company announced DFI has entered into a termination deed (“Deed”) with Heinemann Asia Pacific Pte. Ltd. (“HAP”) and DFZ Capital Sdn. Bhd. (“DFZ”) to acquire 31,494,575 ordinary shares in the capital of DFZ which represents 15% plus one ordinary share of issued and paid up share capital in DFZ. The Deed also provided for the termination of ancillary agreements entered into between DFZ and HAP relating to the supply of duty free products. The acquisition of the sale shares was completed on 7 December 2021 and consequently, DFZ became a wholly owned subsidiary of the Group.
- (b) On 5 January 2022, the Company submitted an application to the Companies Registry of Hong Kong to strike off a dormant wholly owned subsidiary named Naluri International Limited from the registrar. Upon completion of the strike off, Naluri International Limited will cease to be a subsidiary of the Group.

Other than the above, there were no changes in the composition of the Group during the current quarter ended 28 February 2022.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**12. Commitments**

The amount of commitments not provided for in the interim financial statements as at 28 February 2022 were as follows:

Capital commitments

**RM'000**

Purchase of property, plant and equipment:

Approved and contracted for

1,070

Approved but not contracted for

12,437

13,507

**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/(Loss) Before Taxation Compared with Immediate Preceding Quarter**

	Current Quarter 28-Feb-22 RM'000	Immediate Preceding Quarter 30-Nov-21 RM'000	+ / (-) %
Revenue	80,173	75,662	6.0%
Operating profit	9,809	8,928	9.9%
Profit before interest expenses and tax	4,653	3,970	17.2%
Profit before tax	2,866	1,955	46.6%
Profit after tax	4,552	826	451.0%
Profit attributable to equity holders of the parent	3,864	1,177	228.3%

Revenue for the quarter under review of RM80.2 million was higher as compared to the preceding quarter ended 30 November 2021 of RM75.7 million. The increase in revenue was largely due to higher revenue reported by the Duty free segment.

The Group reported a profit before tax of RM2.9 million in the current quarter under review as compared to the preceding quarter's profit before tax of RM2.0 million. The favorable results reported in the current quarter under review was largely contributed by the Duty free segment with its improved revenue.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**15. Commentary on Prospects**

Malaysia transitioned to an endemic phase of Covid-19 officially on April 2022 whereby the international borders were reopened with certain Covid-19 related SOPs to be complied. As a result, certain Duty free retail outlets of the Group at the Malaysia-Thailand border have resumed operations. However, the pace of business recovery is anticipated to be gradual as consumer sentiment remains cautious after the long overhang of the effects of the pandemic. Although, the Duty Free segment expects the business environment in which it operates to remain challenging for the next couple of quarters, the Group is cautiously optimistic that its operations and financial performance will gradually improve over the next twelve months as the world starts to learn to live in the environment of Covid-19 endemicity.

The Group's Automotive segment has been operating at full capacity under strict compliance of the SOPs and is cautiously optimistic that it will be able to respond to the current challenges positively provided that there is no full lockdown on movement to curb the spread of Covid-19.

In view of the immense challenges caused by the prolonged pandemic, the Group will continue to strategise, adapt and navigate through the challenging business environment and also will take timely appropriate measures in order to minimise operating risks and optimise its resources so as to ensure that its core businesses remain resilient.

**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 2022**

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

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

	Individual Quarter		Cumulative Quarter	
	Ended 28-Feb-22 RM'000	Ended 28-Feb-21 RM'000	Ended 28-Feb-22 RM'000	Ended 28-Feb-21 RM'000
Bad debts written off	6	-	47	13
Changes in fair value of marketable securities	(4)	16	46	37
Changes in fair value of biological assets	29	(52)	(55)	(74)
Gain on disposal of property, plant and equipment	(385)	(793)	(762)	(796)
Depreciation and amortisation	5,091	5,456	19,720	21,347
Interest expense	1,787	1,979	7,749	8,359
Interest income	(1,255)	(1,379)	(5,126)	(6,128)
Inventories written down	198	266	198	2,745
Inventories written off	5	221	77	334
Impairment loss on receivables	12	178	101	805
Impairment of property, plant and equipment and right-of-use assets	-	2,157	-	2,157
Impairment loss on goodwill	-	7,242	-	10,066
Reversal of inventories written down	(2,474)	(171)	(6,038)	(384)
Reversal of impairment loss on receivables	(31)	-	(214)	(8)
Property, plant and equipment written off	24	-	25	85
Gain on lease modifications	-	(739)	-	(739)
Realised foreign exchange loss/(gain) (net)	553	(36)	115	642
Unrealised foreign exchange gain	(614)	(459)	(3,517)	(1,351)

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**18. Taxation**

	Individual Quarter		Cumulative Quarter	
	Ended	Ended	Ended	Ended
	28-Feb-22	28-Feb-21	28-Feb-22	28-Feb-21
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current period provision	880	1,850	3,429	5,581
- (over)/under provision in prior periods	(172)	(177)	(460)	4,800
Deferred taxation	(2,394)	146	(2,439)	228
	<u>(1,686)</u>	<u>1,819</u>	<u>529</u>	<u>10,609</u>

The Group recorded a tax benefit of RM1.7 million in current quarter under review largely due to deferred tax asset recognition and adjustments of over provision of taxation in respect of previous financial years. Although the Group reported a loss in the 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:

On 10 April 2012, a subsidiary of DFI, Kelana Megah Sdn Bhd (“KMSB”) entered into a sale and purchase agreement (“KMSB Agreement”) with Berjaya Waterfront Sdn Bhd (“BWSB”), a subsidiary of Berjaya Assets Berhad, to dispose KMSB’s lease interests in the land parcel bearing lot number PTB 20379 for a consideration of RM27,990,000.

On 8 April 2022, the Company announced that KMSB has entered into a Deed of Revocation and Rescission with BWSB to rescind and revoke the KMSB Agreement. The revocation and the rescission of the KMSB Agreement was completed on the same day.

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

<b>NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  PERIOD ENDED 28 FEBRUARY 2022</b>
---

**20. Borrowings and Debt Securities**

	<b>As at 28-Feb-22 RM'000</b>	<b>As at 28-Feb-21 RM'000</b>
Short Term Borrowings - Secured		
- Overdraft	-	1,071
- Trade facilities	21,532	15,479
- Term loan	6,226	17,430
	27,758	33,980
Long Term Borrowings - Secured		
- Term loan	21,593	10,215
	49,351	44,195
<b>Total Group's borrowings</b>	<b>49,351</b>	<b>44,195</b>

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**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:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	<i>Total</i> RM'000
<b>At 28 February 2022</b>				
<b>Financial asset:</b>				
Marketable securities	2	-	-	2
<b>Financial liabilities:</b>				
Derivatives				
- Put/Call options on subsidiary shares	-	-	222	222
<b>Non-financial assets:</b>				
Biological assets	-	-	155	155
<b>At 28 February 2021</b>				
<b>Financial assets:</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 asset:</b>				
Biological assets	-	-	100	100

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**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**

	Notional Amount RM'000	Fair value RM'000	Assets RM'000	Liabilities RM'000
<b>At 28 February 2022</b>				
Put/Call options on subsidiary shares				
- More than 5 years	222	222	-	222
<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

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 financial period ended 28 February 2022, the Group recognised a gain on forward foreign exchange contracts of RM61,000 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 2022**

**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 had 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. The Customs agreed to the refund on 27 April 2021 and the amount to be refunded of RM2,326,451.78 was received on 16 June 2021.

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.



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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

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

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

However, as mentioned above, in deciding to quash the bills of demand issued to SMSB, 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 held to be ultra vires of the Customs Acts.

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 because one of the officers intended to be charged had never been arrested by the Customs and therefore he was not within the jurisdiction of the Court.

On 27 July 2021, a representation letter was again sent to the AG, requesting the AG to discontinue criminal proceedings against SMSB and its officers.

On 28 October 2021, during the hearing of the case management, the Learned Magistrate issued an order discharging the Company and its directors without acquitting them. The order discharging the proceedings was made on the grounds that there were significant administrative defects in the charges and the filing of proposed amended charges by the Customs.

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**24. Dividend Payable and Distributable**

For the 12 month period ended 28 February 2022, the total dividends of RM0.05 per ordinary share paid by the Company amounted to RM12.68 million (12-month period ended 28 February 2021: RM0.05 per ordinary share totalling RM12.68 million).

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

(a) Basic

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

	Individual Quarter		Cumulative Quarter	
	Ended 28-Feb-22	Ended 28-Feb-21	Ended 28-Feb-22	Ended 28-Feb-21
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	3,864	(6,588)	(793)	(28,185)
Number of ordinary shares in issue ('000)	<u>253,650</u>	<u>253,650</u>	<u>253,650</u>	<u>253,650</u>
Basic profit/(loss) per share (sen)	<u>1.52</u>	<u>(2.60)</u>	<u>(0.31)</u>	<u>(11.11)</u>

(b) Diluted

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

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

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 28 FEBRUARY 2022**

**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:

	Individual Quarter		Cumulative Quarter	
	Ended	Ended	Ended	Ended
	28-Feb-22	28-Feb-21	28-Feb-22	28-Feb-21
	RM'000	RM'000	RM'000	RM'000
Purchases from Heinemann Asia Pacific				
Pte. Ltd. ("HAP")	3,213	39,950	26,340	95,165
Management fee paid/payable to HAP	-	430	305	1,147
Ad-space rental received/receivable from HAP	589	743	589	814
Reimbursement of costs from HAP (net)	409	393	4,300	3,087

The transactions disclosed above took place prior to 7 December 2021 which were in pursuant to the agreements entered with HAP which had since been terminated as mentioned in Note 11 above.

**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 2022.