



**ATLAN HOLDINGS BHD  
ANNOUNCEMENT TO BURSA MALAYSIA  
FOR THE FIRST QUARTER ENDED  
31 MAY 2023**

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED 31 MAY 2023**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Ended 31-May-23 RM'000	Ended 31-May-22 RM'000	Ended 31-May-23 RM'000	Ended 31-May-22 RM'000
Revenue	<b>9</b>	101,765	77,365	101,765	77,365
Operating expenses		(89,325)	(70,608)	(89,325)	(70,608)
Other operating income		1,380	2,482	1,380	2,482
Net foreign exchange gain		2,013	4,041	2,013	4,041
Operating profit		15,833	13,280	15,833	13,280
Depreciation and amortisation		(5,074)	(4,866)	(5,074)	(4,866)
Finance costs		(2,766)	(2,081)	(2,766)	(2,081)
Share of results of an associate		15	(27)	15	(27)
Profit before taxation	<b>9, 17</b>	8,008	6,306	8,008	6,306
Taxation	<b>18</b>	(1,628)	(1,216)	(1,628)	(1,216)
Profit for the period		6,380	5,090	6,380	5,090
Attributable to:					
Equity holders of the parent		5,033	4,622	5,033	4,622
Non-controlling interests		1,347	468	1,347	468
		6,380	5,090	6,380	5,090
Earnings per share attributable to equity holders of the parent (sen)					
- Basic	<b>25</b>	1.98	1.82	1.98	1.82

*The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2023 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 31 MAY 2023**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>31-May-23</b>	<b>31-May-22</b>	<b>31-May-23</b>	<b>31-May-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<u>6,380</u>	<u>5,090</u>	<u>6,380</u>	<u>5,090</u>
Other comprehensive income:				
- Foreign currency translation	<u>3,561</u>	<u>367</u>	<u>3,561</u>	<u>367</u>
Total comprehensive income for the period	<u>9,941</u>	<u>5,457</u>	<u>9,941</u>	<u>5,457</u>
Total comprehensive income attributable to:				
Equity holders of the parent	8,699	4,795	8,699	4,795
Non-controlling interests	<u>1,242</u>	<u>662</u>	<u>1,242</u>	<u>662</u>
	<u>9,941</u>	<u>5,457</u>	<u>9,941</u>	<u>5,457</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 28 February 2023 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 31 MAY 2023**

	(Unaudited) As at 31-May-23 RM'000	(Audited) As at 28-Feb-23 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	194,459	129,716
Investment properties	28,506	28,980
Goodwill	8,181	5,818
Investment in associates	315	300
Other investments	134	134
Prepayment	4,000	4,000
Deferred tax assets	7,775	7,736
Right-of-use assets	109,438	107,470
	<u>352,808</u>	<u>284,154</u>
<b>CURRENT ASSETS</b>		
Inventories	137,060	135,931
Biological assets	136	178
Capitalised contract costs	669	484
Trade and other receivables	81,148	93,417
Prepayments	7,320	6,628
Tax recoverable	9,687	9,712
Derivative assets	25	29
Marketable securities	4	4
Cash and bank balances	218,342	207,174
	<u>454,391</u>	<u>453,557</u>
<b>TOTAL ASSETS</b>	<u>807,199</u>	<u>737,711</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 31 MAY 2023 (CONT'D.)**

		<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>As at 31-May-23 RM'000</b>	<b>As at 28-Feb-23 RM'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		90,967	77,908
Employee benefits		763	434
Tax payable		389	333
Provision for restoration costs		169	198
Borrowings	<b>20</b>	23,037	22,670
Lease liabilities		5,007	1,496
		<u>120,332</u>	<u>103,039</u>
<b>NET CURRENT ASSETS</b>		<u>334,059</u>	<u>350,518</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		1,306	1,705
Deferred tax liabilities		9,632	9,637
Provision for restoration costs		672	672
Borrowings	<b>20</b>	58,202	14,903
Lease liabilities		101,979	102,620
		<u>171,791</u>	<u>129,537</u>
<b>TOTAL LIABILITIES</b>		<u>292,123</u>	<u>232,576</u>
<b>NET ASSETS</b>		<u>515,076</u>	<u>505,135</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 31 MAY 2023 (CONT'D.)**

	(Unaudited)	(Audited)
	As at	As at
Note	31-May-23	28-Feb-23
	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	3,346	(320)
Other reserve	(75,560)	(75,560)
Retained earnings	130,735	125,702
	<u>415,049</u>	<u>406,350</u>
Non-controlling interests	100,027	98,785
<b>TOTAL EQUITY</b>	<u>515,076</u>	<u>505,135</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>807,199</u>	<u>737,711</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.64</u>	<u>1.60</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 28 February 2023 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 31 MAY 2023**

	← 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 2022</b>	356,528	219	(78,102)	113,299	391,944	93,530	485,474
Profit for the period	-	-	-	4,622	4,622	468	5,090
Other comprehensive income	-	173	-	-	173	194	367
	-	173	-	4,622	4,795	662	5,457
<b>Transaction with owners:</b>							
Transfer to reserves	-	-	2	-	2	(2)	-
<b>At 31 May 2022</b>	356,528	392	(78,100)	117,921	396,741	94,190	490,931
<b>At 1 March 2023</b>	356,528	(320)	(75,560)	125,702	406,350	98,785	505,135
Profit for the period	-	-	-	5,033	5,033	1,347	6,380
Other comprehensive income	-	3,666	-	-	3,666	(105)	3,561
	-	3,666	-	5,033	8,699	1,242	9,941
<b>At 31 May 2023</b>	356,528	3,346	(75,560)	130,735	415,049	100,027	515,076

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 28 February 2023 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 31 MAY 2023**

	3 MONTHS ENDED	
	31-May-23 RM'000	31-May-22 RM'000
<b>Operating activities</b>		
Profit before taxation	8,008	6,306
Adjustments for:		
Changes in fair value of biological assets	42	(124)
Depreciation and amortisation	5,074	4,866
Deposit forfeited	-	(560)
Gain on disposal of property, plant and equipment	-	(2)
Impairment loss on right-of-use assets	84	-
Interest expense	2,766	2,081
Interest income	(2,001)	(1,294)
Inventories written off	2	2
Reversal of inventories written down	(109)	(799)
Reversal of impairment loss on receivables	(1)	(37)
Property, plant and equipment written off	-	1
Effect of lease concessions received	-	(3)
Unrealised gain on foreign exchange (net)	(2,105)	(3,987)
Share of results of an associate	(15)	27
Operating cash flows before changes in working capital	11,745	6,477
Changes in working capital	19,816	15,979
Cash generated from operations	31,561	22,456
Tax paid	(1,298)	(962)
Employee benefits paid	(70)	(48)
Net cash flows generated from operating activities	30,193	21,446
<b>Investing activities</b>		
Acquisition of assets	(1,554)	(308)
Interest received	2,001	1,294
Net cash outflow on acquisition of a subsidiary and assets	(61,139)	-
Proceeds from disposal of property, plant and equipment	-	2
Net cash flows (used in)/generated from investing activities	(60,692)	988



# ATLAN HOLDINGS BHD

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## CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED) FOR THE PERIOD ENDED 31 MAY 2023 (CONT'D.)

	3 MONTHS ENDED	
	31-May-23 RM'000	31-May-22 RM'000
<b>Financing activities</b>		
Decrease in pledged fixed deposits	-	(31)
Payment of lease payments	(1,331)	(268)
Interest paid	(2,766)	(496)
Net drawdown/(repayment) of borrowings	43,248	(6,418)
Repayment of hire purchase liabilities	(19)	(20)
Net cash flows generated from/(used in) financing activities	39,132	(7,233)
<b>Net increase in cash and cash equivalents</b>	8,633	15,201
<b>Effect of foreign exchange translation</b>	2,117	3,714
<b>Cash and cash equivalents at beginning of the period</b>	194,064	204,733
<b>Cash and cash equivalents at end of the period</b>	204,814	223,648
<b>Cash and cash equivalents at end of financial period comprise the following:</b>		
Cash and bank balances	218,342	237,321
Less: Pledged deposits	(13,110)	(12,971)
	205,232	224,350
Less: Bank overdraft	(418)	(702)
	204,814	223,648

### Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 March 2023 RM'000	Cash flows RM'000	Non-cash changes Others RM'000	Carrying amount as at 31 May 2023 RM'000
Term loans	21,855	(333)	-	21,522
Trade facilities	5,718	(4,419)	-	1,299
Revolving credit facility	10,000	48,000	-	58,000
Lease liabilities				
- Hire purchase liabilities	49	(19)	-	30
- Other lease liabilities	104,067	(1,331)	4,220	106,956
Total liabilities from financing activities	141,689	41,898	4,220	187,807

*The Condensed Consolidated Cash Flows Statement should be read in conjunction with the audited financial statements for the year ended 28 February 2023 and the accompanying notes attached to the interim financial statements.*

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2023**

**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 2023. 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 2023.

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 2023, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 March 2023:

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Classifications of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 17 Insurance Contracts- Initial Application of MFRS 17 and MFRS 9—Comparative Information	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

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2023**

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

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

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 2023, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 March 2023 (cont'd.):

<b>MFRSs, Amendments to MFRSs and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 112 Income Taxes – International Tax Reform—Pillar Two Model Rules	1 January 2023

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.

**(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 16 Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	1 January 2024
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.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2023**

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

The auditors' report on the financial statements for the year ended 28 February 2023 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**

There was no material unusual item affecting assets, liabilities, equity, net income, or cash flows during the financial quarter ended 31 May 2023.

**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 31 May 2023.

**8. Dividends Paid and Distributed**

For the current quarter ended 31 May 2023, there were no dividends paid and distributed.

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2023**

**9. Segmental Information**

	Individual Quarter			Cumulative Quarter		
	Ended	Ended	+ / (-)	Ended	Ended	+ / (-)
	31-May-23	31-May-22		31-May-23	31-May-22	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Segment Revenue</b>						
Duty free	36,802	24,110	52.6%	36,802	24,110	52.6%
Automotive	57,747	50,512	14.3%	57,747	50,512	14.3%
Property and hospitality	6,443	2,756	133.8%	6,443	2,756	133.8%
Investment holding	960	491	95.5%	960	491	95.5%
Others	1,676	1,269	32.1%	1,676	1,269	32.1%
	<u>103,628</u>	<u>79,138</u>	<u>30.9%</u>	<u>103,628</u>	<u>79,138</u>	<u>30.9%</u>
Eliminations	<u>(1,863)</u>	<u>(1,773)</u>	<u>5.1%</u>	<u>(1,863)</u>	<u>(1,773)</u>	<u>5.1%</u>
Group revenue	<u>101,765</u>	<u>77,365</u>	<u>31.5%</u>	<u>101,765</u>	<u>77,365</u>	<u>31.5%</u>
<b>Segment Results</b>						
Duty free	3,031	(1,406)	(315.6%)	3,031	(1,406)	(315.6%)
Automotive	5,346	4,867	9.8%	5,346	4,867	9.8%
Property and hospitality	(280)	1,279	(121.9%)	(280)	1,279	(121.9%)
Investment holding	1,400	2,928	(52.2%)	1,400	2,928	(52.2%)
Others	<u>(1,489)</u>	<u>(1,362)</u>	<u>9.3%</u>	<u>(1,489)</u>	<u>(1,362)</u>	<u>9.3%</u>
Profit before taxation	<u>8,008</u>	<u>6,306</u>	<u>27.0%</u>	<u>8,008</u>	<u>6,306</u>	<u>27.0%</u>

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**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2023**

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

**Segment Revenue**

- (a) The Duty free segment recorded higher revenue of RM36.8 million in 1QFY2024 as compared to the revenue recorded of RM24.1 million in 1QFY2023. The increase in revenue was mainly due to all of the Group's retail outlets were in operations in the current quarter under review, whereas, in the corresponding quarter of the preceding year, only three outlets in the Group were in operations during March 2022 and April 2022 and the rest of the duty free outlets only resumed operations in the beginning of May 2022 following the reopening of international borders and lifting of travel restrictions.
- (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 was mainly due to higher orders received from customers.
- (c) Higher revenue was reported from Property and hospitality segment in the current quarter under review as compared to the corresponding quarter in the previous financial year was mainly attributed by revenue reported from Belle Isle Hotels (Cornwall) Management Ltd ("BIM") following the completion of acquisitions on 3<sup>rd</sup> April 2023 as disclosed in Note 10(a). However, the positive effect was partially offset by lower revenue reported by its Property division in Malaysia due to low occupancy rate during the quarter under review.
- (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 under review as compared to the corresponding quarter in the previous financial year was mainly due to higher interest income 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.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2023**

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

**Segment Results**

- (a) Duty free segment reported a profit before taxation of RM3.0 million in the current quarter under review as compared to a loss before taxation of RM1.4 million in 1QFY2023. The turnaround in profitability was mainly contributed by the higher revenue and better gross margin achieved coupled with lower professional fees incurred during the current quarter under review.
- (b) Automotive segment registered a profit before taxation of RM5.3 million in the current quarter under review as compared to a profit before taxation of RM4.9 million in 1QFY2023. The improvement in the profit before taxation in the current quarter under review was mainly due to higher revenue recorded as mentioned above.
- (c) In the Property and hospitality segment, loss before taxation of RM0.3 million was reported in the current quarter under review as compared to profit before taxation of RM1.3 million reported in 1QFY2023. The loss before taxation was mainly attributed to the low occupancy rate of its Property in Malaysia as mentioned above.
- (d) Investment holding segment reported lower profit before tax in current quarter under review as compared to the corresponding quarter in the previous financial year. The decrease in profit before tax was mainly due to lower net gain in foreign exchange amounting to RM2.0 million reported in 1QFY2024 as compared to RM4.0 million reported in 1QFY2023.
- (e) In the Others segment, higher losses reported in current quarter as compared to the corresponding quarter in the previous financial year mainly due to higher expenses incurred.

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2023**

**10. Significant and Subsequent Events**

(a) On 20 October 2022, on behalf of the Board of Directors of the Group, Affin Hwang Investment Bank Berhad (“AHIBB”) announced that the Company had entered into the following conditional agreements (“Proposed Acquisitions”):

- (i) property sale and purchase agreement (“Property SPA”) with Belle Isle Property Ltd (“BIP”) for the purchase of The Cornwall Hotel Spa & Estate located in the United Kingdom (“Property”) amounted to GBP10,800,000 (equivalent to RM58,432,000);
- (ii) asset acquisition agreement (“Asset SPA”) with BIP for the purchase of all of BIP’s existing assets and liabilities which relate to the Property’s operations amounted to GBP1 (equivalent to RM5); and
- (iii) share sale and purchase agreement (“Shares SPA”) with Mark Trevor Rudrum for the acquisition of the entire issued share capital of Belle Isle Hotels (Cornwall) Management Ltd (“BIM”) amounted to GBP250,000 (equivalent to RM1,360,000).

On 15 March 2023, on behalf of the Board of Directors of the Group, AHIBB announced that following the approval of the Company's shareholders for the Proposed Acquisitions which was obtained at the extraordinary general meeting held on 15 March 2023, the Property SPA has become unconditional.

On 3 April 2023, on behalf of the Board of Directors of the Group, AHIBB announced that the Property SPA, Asset SPA and Shares SPA had been completed following the respective payments of the balance consideration.

Accordingly, on 3 April 2023, BIM became a wholly-owned subsidiary of the Company and is the owner of the Property and the existing assets and liabilities which relates to the Property’s operations.

The fair value of assets acquired and liabilities assumed and purchase consideration have been determined on a provisional basis pending the completion of purchase price allocation (“PPA”) exercise. The PPA exercise is expected to be completed not exceeding one year from 3 April 2023, being the date of acquisition. Provisional goodwill of RM2.4 million has been recorded in the statement of financial position of the Group as at 31 May 2023. Accordingly, the fair value of assets and liabilities of BIM will be adjusted accordingly on a retrospective basis upon finalisation of PPA exercise.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2023**

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

The consolidated financial information reflects the following:

**Consolidated statement of financial position**

- (i) The assets and liabilities of BIM as at 31 May 2023 were recognised and measured in the consolidated statement of financial position at their carrying amounts after the acquisition exercise;
- (ii) The assets and liabilities of BIM 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 2023 presented in the consolidated statement of financial position relate to the Atlan Holdings Bhd. (“AHB”) Group; and
- (iv) The retained earnings of the Group as at 31 May 2023 included that of the AHB Group at their carrying amounts and the post-acquisition reserves of the BIM.

**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 2023 to 31 May 2023 (“3MFY2024”), reflect the AHB Group and the post-acquisition results of BIM; and
  - (ii) The comparative figures for the period from 1 March 2022 to 31 May 2022 (“3MFY2023”) presented in the consolidated statement of profit or loss and other comprehensive income were that of AHB Group.
- (b) Bursa Malaysia Securities Berhad (“Bursa Securities”) had on 29 July 2015 granted approval to the Company on a lower public security holding spread of 20.81% for the purpose of compliance with Paragraph 8.02(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Securities.

Since 8 July 2016, the Company had maintained its public security holding spread at 20.33% and from 21 August 2019 improved its public security holding spread to more than 20.81%.

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

However, on 19 December 2022, the Company announced that the Company has been notified by its substantial shareholders, Berjaya Group Berhad, Berjaya Corporation Berhad and Tan Sri Dato' Seri Vincent Tan Chee Yioun in relation to the change of their substantial interests held in the Company by virtue of their interest held through Teras Mewah Sdn. Bhd.. As a result of the said change, the Public Shareholding Spread of the Company has decreased to 20.76%.

Further to the announcement, on 27 April 2023, the Board of the Company announced that the Company's public shareholding spread as at 20 April 2023 were as follows:

Number of public security holders: 1,059  
Percentage of public security holdings: 20.76%

The Company will continue to monitor the level of public shareholdings spread and make the necessary announcements as and when there is any new development on the above.

Other than as disclosed above, there were no material events during and subsequent to the current quarter ended 31 May 2023.

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

Other than those disclosed in Note 10(a), there were no changes in the composition of the Group during the current quarter ended 31 May 2023.

**12. Commitments**

The amount of commitments not provided for in the interim financial statements as at 31 May 2023 were as follows:

Capital commitments

Purchase of property, plant and equipment:

Approved and contracted for	449
Approved but not contracted for	10,402
	<u>10,851</u>

**RM'000**

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**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</b>	
	<b>31-May-23</b>	<b>Preceding Quarter</b>	
	<b>RM'000</b>	<b>28-Feb-23</b>	<b>+ / (-)</b>
		<b>RM'000</b>	<b>%</b>
Revenue	101,765	111,251	(8.5%)
Operating profit	15,833	20,722	(23.6%)
Profit before interest expenses and tax	10,774	15,843	(32.0%)
Profit before tax	8,008	13,351	(40.0%)
Profit after tax	6,380	11,467	(44.4%)
Profit attributable to equity holders of the parent	5,033	8,752	(42.5%)

Revenue for the quarter under review of RM101.8 million was slightly lower as compared to the preceding quarter ended 28 February 2023 of RM111.3 million. The decrease in revenue was largely due to lower revenue reported by the Duty free segment and the Automotive segment.

The Group reported a profit before taxation of RM8.0 million in the current quarter under review as compared to the preceding quarter’s profit before taxation of RM13.4 million. The lower result was mainly contributed from the lower revenue as mentioned above coupled with lower net gain in foreign exchange and higher interests expense compared to the preceding quarter ended 28 February 2023.

**15. Commentary on Prospects**

The Malaysian economy further expanded in the first quarter of 2023 driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Inbound tourism continued to recover, lifting services exports and partially offsetting the slower goods export growth. Core inflation remained elevated during the quarter amid continued strength in demand and price pressures remained pervasive<sup>1</sup>.

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

Though there are encouraging signs of ongoing economic recovery, the Group expects the business environment in which it operates to remain challenging for the financial year 2024 given the rising of product and operating costs as a result of weakening of Malaysian Ringgit against major foreign currencies coupled with inflationary pressure. The Group will continue its efforts to enhance operational efficiency and effectiveness including stringent cost control measures whilst concurrently strategise, adapt and navigate through the ever changing business environment so as to ensure that its core businesses remain resilient.

<sup>1</sup> Source from Bank Negara Malaysia – Economic and financial developments in Malaysia in the first quarter of 2023

**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.

**17. Profit Before Taxation**

Included in the profit before taxation are the following items:

	Individual Quarter		Cumulative Quarter	
	Ended 31-May-23 RM'000	Ended 31-May-22 RM'000	Ended 31-May-23 RM'000	Ended 31-May-22 RM'000
Changes in fair value of biological assets	42	(124)	42	(124)
Gain on disposal of property, plant and equipment	-	(2)	-	(2)
Depreciation and amortisation	5,074	4,866	5,074	4,866
Interest expense	2,766	2,081	2,766	2,081
Interest income	(2,001)	(1,294)	(2,001)	(1,294)
Impairment loss on right-of-use assets	84	-	84	-
Inventories written off	2	2	2	2
Property, plant and equipment written off	-	1	-	1
Reversal of inventories written down	(109)	(799)	(109)	(799)
Reversal of impairment loss on receivables	(1)	(37)	(1)	(37)
Realised foreign exchange loss/(gain) (net)	92	(54)	92	(54)
Unrealised foreign exchange gain (net)	(2,105)	(3,987)	(2,105)	(3,987)

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**18. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>31-May-23</b>	<b>31-May-22</b>	<b>31-May-23</b>	<b>31-May-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax				
- current period provision	1,670	1,554	1,670	1,554
- over provision in prior periods	-	(30)	-	(30)
Deferred taxation	(42)	(308)	(42)	(308)
	<u>1,628</u>	<u>1,216</u>	<u>1,628</u>	<u>1,216</u>

Lower effective tax rate in the current quarter under review was mainly due to higher non-taxable income relating to unrealised foreign exchange gain.

**19. Corporate Proposal**

There was no corporate proposal announced but not completed as at the date of issue of this interim financial report.

**20. Borrowings and Debt Securities**

	<b>As at</b>	<b>As at</b>
	<b>31-May-23</b>	<b>28-Feb-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Short Term Borrowings - Secured		
- Overdraft	418	-
- Trade facilities	1,299	5,718
- Revolving credit facility	15,000	10,000
- Term loan	6,320	6,952
	<u>23,037</u>	<u>22,670</u>
Long Term Borrowings - Secured		
- Term loan	15,202	14,903
- Revolving credit facility	43,000	-
	<u>58,202</u>	<u>14,903</u>
<b>Total Group's borrowings</b>	<u>81,239</u>	<u>37,573</u>

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**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 31 May 2023</b>				
<b>Financial asset:</b>				
Marketable securities	4	-	-	4
Derivatives				
- Forward foreign exchange contracts	-	25	-	25
<b>Non-financial assets:</b>				
Biological assets	-	-	136	136
<b>At 28 February 2023</b>				
<b>Financial assets:</b>				
Marketable securities	4	-	-	4
Derivatives				
- Forward foreign exchange contracts	-	29	-	29
<b>Non-financial asset:</b>				
Biological assets	-	-	178	178

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.

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**22. Derivative Financial Instruments**

	Notional Amount RM'000	Fair value RM'000	Assets RM'000	Liabilities RM'000
<b>At 31 May 2023</b>				
Forward foreign exchange contracts				
- Less than 1 year	620	25	25	-
<b>At 28 February 2023</b>				
Forward foreign exchange contracts				
- Less than 1 year	1,093	29	29	-

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 31 May 2023, the Group recognised a loss on forward foreign exchange contracts of RM4,000 arising from fair value changes of financial derivative. The fair value changes are attributable to changes in foreign exchange and forward rate.

**23. Material Litigation/Contingent Liabilities**

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

**24. Dividend Payable and Distributable**

The Company did not recommend the payment of any dividend in respect of the financial period ended 31 May 2023.

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**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 31-May-23	Ended 31-May-22	Ended 31-May-23	Ended 31-May-22
Profit attributable to ordinary equity holders of the parent (RM'000)	5,033	4,622	5,033	4,622
Number of ordinary shares in issue ('000)	253,650	253,650	253,650	253,650
Basic earnings per share (sen)	1.98	1.82	1.98	1.82

(b) Diluted

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

**26. Significant Related Party Transactions**

There were no significant related party transactions with related company and related parties of the Group as at the date of this report.

**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 11 July 2023.