



**ATLAN HOLDINGS BHD  
ANNOUNCEMENT TO BURSA MALAYSIA  
FOR THE THIRD QUARTER ENDED  
30 NOVEMBER 2023**

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED 30 NOVEMBER 2023**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000
Revenue	9	117,192	98,378	324,895	263,505
Operating expenses		(101,868)	(88,595)	(285,198)	(240,326)
Other operating income		1,499	5,726	4,399	13,055
Net foreign exchange gain		1,657	674	5,856	5,258
Operating profit		18,480	16,183	49,952	41,492
Depreciation and amortisation		(5,758)	(5,089)	(16,333)	(14,818)
Impairment of right-of-use assets		-	-	(84)	-
Finance costs		(3,055)	(2,249)	(8,740)	(6,506)
Share of results of an associate		(24)	47	73	18
Profit before taxation	9, 17	9,643	8,892	24,868	20,186
Taxation	18	(2,119)	(1,467)	(6,156)	(4,366)
Profit for the period		7,524	7,425	18,712	15,820
Attributable to:					
Equity holders of the parent		6,469	5,910	15,278	13,144
Non-controlling interests		1,055	1,515	3,434	2,676
		7,524	7,425	18,712	15,820
Earnings per share attributable to equity holders of the parent (sen)	25				
- Basic		2.55	2.33	6.02	5.18

*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 30 NOVEMBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000
Profit for the period	<u>7,524</u>	<u>7,425</u>	<u>18,712</u>	<u>15,820</u>
Other comprehensive income:				
- Foreign currency translation	<u>378</u>	<u>(169)</u>	<u>6,005</u>	<u>421</u>
Total comprehensive income for the period	<u>7,902</u>	<u>7,256</u>	<u>24,717</u>	<u>16,241</u>
Total comprehensive income attributable to:				
Equity holders of the parent	<u>6,857</u>	<u>5,811</u>	<u>21,397</u>	<u>13,349</u>
Non-controlling interests	<u>1,045</u>	<u>1,445</u>	<u>3,320</u>	<u>2,892</u>
	<u>7,902</u>	<u>7,256</u>	<u>24,717</u>	<u>16,241</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 30 NOVEMBER 2023**

	(Unaudited) As at 30-Nov-23 RM'000	(Audited) As at 28-Feb-23 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	196,758	129,716
Investment properties	27,573	28,980
Goodwill	8,336	5,818
Investment in associates	373	300
Other investments	137	134
Prepayment	4,000	4,000
Deferred tax assets	7,773	7,736
Right-of-use assets	111,648	107,470
	<u>356,598</u>	<u>284,154</u>
<b>CURRENT ASSETS</b>		
Inventories	131,320	135,931
Biological assets	108	178
Capitalised contract costs	859	484
Trade and other receivables	75,893	93,417
Prepayments	4,213	6,628
Tax recoverable	6,158	9,712
Derivative assets	-	29
Marketable securities	2	4
Cash and bank balances	218,805	207,174
	<u>437,358</u>	<u>453,557</u>
<b>TOTAL ASSETS</b>	<u>793,956</u>	<u>737,711</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 30 NOVEMBER 2023 (CONT'D.)**

	Note	(Unaudited) As at 30-Nov-23 RM'000	(Audited) As at 28-Feb-23 RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		78,872	77,908
Employee benefits		312	434
Tax payable		972	333
Provision for restoration costs		-	198
Borrowings	20	25,182	22,670
Lease liabilities		5,322	1,496
Derivative liabilities		4	-
		<u>110,664</u>	<u>103,039</u>
<b>NET CURRENT ASSETS</b>		<u>326,694</u>	<u>350,518</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		1,737	1,705
Deferred tax liabilities		9,815	9,637
Provision for restoration costs		704	672
Borrowings	20	56,575	14,903
Lease liabilities		102,935	102,620
		<u>171,766</u>	<u>129,537</u>
<b>TOTAL LIABILITIES</b>		<u>282,430</u>	<u>232,576</u>
<b>NET ASSETS</b>		<u>511,526</u>	<u>505,135</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 30 NOVEMBER 2023 (CONT'D.)**

	(Unaudited)	(Audited)
Note	As at 30-Nov-23 RM'000	As at 28-Feb-23 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	5,799	(320)
Other reserve	(75,560)	(75,560)
Retained earnings	125,761	125,702
	<u>412,528</u>	<u>406,350</u>
Non-controlling interests	98,998	98,785
<b>TOTAL EQUITY</b>	<u>511,526</u>	<u>505,135</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>793,956</u>	<u>737,711</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.63</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 30 NOVEMBER 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	-	-	-	13,144	13,144	2,676	15,820
Other comprehensive income	-	205	-	-	205	216	421
	-	205	-	13,144	13,349	2,892	16,241
<b>Transactions with owners:</b>							
Changes of equity interest in a subsidiary	-	-	1	-	1	-	1
Transfer to reserves	-	-	(72)	-	(72)	72	-
At 30 November 2022	356,528	424	(78,173)	126,443	405,222	96,494	501,716
<b>At 1 March 2023</b>	356,528	(320)	(75,560)	125,702	406,350	98,785	505,135
Profit for the period	-	-	-	15,278	15,278	3,434	18,712
Other comprehensive income	-	6,119	-	-	6,119	(114)	6,005
	-	6,119	-	15,278	21,397	3,320	24,717
<b>Transactions with owners:</b>							
Dividends on ordinary shares	-	-	-	(15,219)	(15,219)	-	(15,219)
Dividends paid to non-controlling interests by subsidiaries	-	-	-	-	-	(3,107)	(3,107)
At 30 November 2023	356,528	5,799	(75,560)	125,761	412,528	98,998	511,526

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 30 NOVEMBER 2023**

	9 MONTHS ENDED	
	30-Nov-23 RM'000	30-Nov-22 RM'000
<b>Operating activities</b>		
Profit before taxation	24,868	20,186
Adjustments for:		
Bad debts written off	9	18
Bad debts recovered	(51)	-
Changes in fair value of marketable securities	2	-
Changes in fair value of biological assets	70	38
Depreciation and amortisation	16,333	14,818
Deposit forfeited	(1)	(560)
Gain on disposal of property, plant and equipment	(18)	(38)
Interest expense	8,740	6,506
Interest income	(6,197)	(4,416)
Inventories written off	18	2,556
Impairment loss on property, plant and equipment	-	312
Impairment loss on right-of-use of assets	84	-
Reversal of inventories written down	(529)	(5,846)
Reversal of impairment loss on receivables	(1)	(337)
Property, plant and equipment written off	-	5
Effect of lease concessions received	-	(164)
Unrealised gain on foreign exchange (net)	(5,630)	(5,249)
Share of results of an associate	(73)	(18)
Operating cash flows before changes in working capital	37,624	27,811
Changes in working capital	19,620	(1,519)
Cash generated from operations	57,244	26,292
Tax paid	(2,534)	(3,224)
Employee benefits paid	(90)	(247)
Net cash flows generated from operating activities	54,620	22,821
<b>Investing activities</b>		
Acquisition of assets	(6,603)	(5,460)
Deposit paid for proposed acquisitions	-	(11,495)
Interest received	6,197	4,416
Net cash outflows on acquisition of a subsidiary and assets	(61,139)	-
Proceeds from disposal of property, plant and equipment	18	38
Net cash flows used in investing activities	(61,527)	(12,501)



# ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED) FOR THE PERIOD ENDED 30 NOVEMBER 2023 (CONT'D.)

	9 MONTHS ENDED	
	30-Nov-23 RM'000	30-Nov-22 RM'000
<b>Financing activities</b>		
Decrease/(Increase) in pledged fixed deposits	2,897	(143)
Dividends paid to non-controlling interests of subsidiaries	(3,107)	-
Dividends paid to ordinary shareholders of the Company	(15,219)	-
Payment of leases	(4,011)	(611)
Interest paid	(8,631)	(1,670)
Net drawdown/(repayment) of borrowings	43,310	(8,636)
Repayment of hire purchase liabilities	(47)	(61)
Proceed from exercise of warrants in a subsidiary by non-controlling interests	-	1
Net cash flows generated from/(used in) financing activities	15,192	(11,120)
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,285	(800)
<b>Effect of foreign exchange translation</b>	5,369	4,451
<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>	207,718	208,384
<b>Cash and cash equivalents at end of financial period comprise the following:</b>		
Cash and bank balances	218,805	221,467
Less: Pledged deposits	(10,213)	(13,083)
	208,592	208,384
Less: Bank overdraft	(874)	-
	207,718	208,384

### 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 30 November 2023 RM'000
Term loans	21,855	(1,329)	-	20,526
Trade facilities	5,718	(4,361)	-	1,357
Revolving credit facilities	10,000	49,000	-	59,000
Lease liabilities				
- Hire purchase liabilities	49	(47)	-	2
- Other lease liabilities	104,067	(4,011)	8,199	108,255
Dividends payable	-	(15,219)	15,219	-
Total liabilities from financing activities	141,689	24,033	23,418	189,140

*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**  
**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 30 NOVEMBER 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 17 Insurance Contracts - Initial Application of MFRS 17 and MFRS 9—Comparative Information	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 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

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 30 NOVEMBER 2023**

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

**(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 (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 101 Presentation of Financial Statements – Non-current Liabilities with Covenants	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 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
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.

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 30 NOVEMBER 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 30 November 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 30 November 2023.

**8. Dividends Paid and Distributed**

On 12 October 2023, the Company declared a first interim single tier ordinary dividend of 6.0 sen per share in respect of the financial year ending 29 February 2024 amounting to RM15.22 million which was paid on 8 November 2023.

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2023**

**9. Segmental Information**

	Individual Quarter			Cumulative Quarter		
	Ended	Ended	+ / (-)	Ended	Ended	+ / (-)
	30-Nov-23	30-Nov-22		30-Nov-23	30-Nov-22	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Segment Revenue</b>						
Duty free	38,682	43,360	(10.8%)	108,434	101,655	6.7%
Automotive	69,763	52,415	33.1%	189,719	153,779	23.4%
Property and hospitality	7,871	2,108	273.4%	24,253	7,377	228.8%
Investment holding	11,595	762	1,421.7%	18,583	1,971	842.8%
Others	1,675	1,630	2.8%	5,027	4,169	20.6%
	<u>129,586</u>	<u>100,275</u>	29.2%	<u>346,016</u>	<u>268,951</u>	28.7%
Eliminations	<u>(12,394)</u>	<u>(1,897)</u>	553.3%	<u>(21,121)</u>	<u>(5,446)</u>	287.8%
Group revenue	<u>117,192</u>	<u>98,378</u>	19.1%	<u>324,895</u>	<u>263,505</u>	23.3%
<b>Segment Results</b>						
Duty free	1,808	5,015	(63.9%)	6,654	6,693	(0.6%)
Automotive	9,122	5,957	53.1%	20,958	14,675	42.8%
Property and hospitality	(472)	(414)	14.0%	(743)	502	(248.0%)
Investment holding	824	(420)	(296.2%)	2,725	2,234	22.0%
Others	(1,639)	(1,246)	31.5%	(4,726)	(3,918)	20.6%
Profit before taxation	<u>9,643</u>	<u>8,892</u>	8.4%	<u>24,868</u>	<u>20,186</u>	23.2%

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 30 NOVEMBER 2023**

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

**Segment Revenue**

- (a) The Duty free segment recorded revenue of RM38.7 million in 3QFY2024, representing a decrease of 10.8% or RM4.7 million, over the revenue of RM43.4 million in 3QFY2023. The decrease was primarily attributed to the cessation of operations of the Kuala Lumpur International Airport (“KLIA”) outlet due to the termination of its tenancy at KLIA in April 2023. Duty free segment recorded a higher revenue of RM108.4 million in cumulative quarter of FY2024 as compared to the revenue recorded of RM101.7 million in the same corresponding period ended FY2023. The improved revenue generated was mainly due to all of the Group’s retail outlets were in operations during the nine months period ended FY2024, whereas, only three outlets in the Group were in operations in March 2022 and April 2022 and the rest of the duty free outlets only resumed operations in May 2022 in the preceding cumulative 3QFY2023.
- (b) The revenue from the Automotive segment in the current quarter and cumulative quarter under review was higher at RM69.8 million and RM189.7 million respectively as compared to the corresponding quarter of RM52.4 million and corresponding cumulative quarter of RM153.8 million in FY2023. Higher revenue registered was mainly due to the higher orders received from customers.
- (c) Higher revenue was reported from Property and hospitality segment in the current quarter and cumulative quarter under review mainly attributed by revenue reported from Belle Isle Hotels (Cornwall) Management Ltd (“BIM”) following the completion of acquisition on 3<sup>rd</sup> April 2023 as disclosed in Note 10(a). However, the positive effect was partially offset by the lower revenue reported from its property in Malaysia due to lower occupancy rate during the period 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 and cumulative quarter under review as compared to the corresponding quarter and cumulative quarter in the previous financial year was mainly due to dividend income received from 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**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 30 NOVEMBER 2023**

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

**Segment Results**

- (a) Duty free segment reported a lower profit before taxation in current quarter and cumulative quarter as compared to the corresponding quarter and cumulative quarter in the previous financial year. The drop in profit before taxation was primarily due to lower revenue reported as mentioned above coupled with lower other operating income and higher employee benefit expenses being recorded.
- (b) Automotive segment registered a profit before taxation of RM9.1 million in the current quarter under review and RM21.0 million in cumulative quarter FY2024 as compared to profit before taxation of RM6.0 million in 3QFY2023 and RM14.7 million in the corresponding cumulative quarter FY2023. The significant increase in profit before taxation was mainly due to higher revenue recorded as mentioned above.
- (c) In the Property and hospitality segment, a slightly higher loss before taxation was incurred in the current quarter under review as compared to the corresponding quarter in the previous financial year. This was mainly attributed by the lower occupancy rate of the Property in Malaysia as mentioned above. Loss before taxation of RM0.7 million was reported in the current cumulative quarter as compared to a profit before taxation of RM0.5 million in the corresponding cumulative quarter in the previous financial year primarily due to the lower occupancy rate of the Property in Malaysia although operating expenses had remained relatively unchanged.
- (d) Investment holding segment reported a profit before taxation in the current quarter under review as compared to a loss before taxation in the corresponding quarter in the previous financial year. The improved result was mainly due to a higher net gain in foreign exchange amounting to RM1.6 million reported in 3QFY2024 as compared to a net gain in foreign exchange amounting to RM0.7 million reported in 3QFY2023. Higher profit before taxation was reported in the current cumulative quarter as compared to the corresponding cumulative quarter in the previous financial year mainly due to the higher net gain in foreign exchange amounting RM5.9 million recorded in FY 2024 as compared to RM5.3 million in FY2023.
- (e) In the Others segment, higher losses reported in current quarter and cumulative 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 30 NOVEMBER 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 RM2.5 million has been recorded in the statement of financial position of the Group as at 30 November 2023. Accordingly, the fair value of assets and liabilities of BIM will be adjusted accordingly on a retrospective basis upon finalisation of the PPA exercise.



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**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 30 November 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 30 November 2023 included that of the AHB Group at their carrying amounts and the post-acquisition reserves of 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 30 November 2023 (“3QFY2024”), reflect the AHB Group and the post-acquisition results of BIM; and
  - (ii) The comparative figures for the period from 1 March 2022 to 30 November 2022 (“3QFY2023”) 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 decreased to 20.76%.

On 12 September 2023, the Company announced that the Company was notified by its substantial shareholders, Berjaya Group Berhad, Berjaya Corporation Berhad and Juara Sejati Sdn. Bhd. in relation to the change of their substantial interests held in the Company by virtue of their interest held through REDTone Digital Berhad. As a result of the said change, the Public Shareholding Spread of the Company decreased to 20.54%.

As at the date of this announcement, the Company's public shareholding spread is as follows:

Number of public security holders: 1,056  
Percentage of public security holdings: 20.54%

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.

- (c) On 9 November 2023, the subsidiary of the Company, Duty Free International Limited ("DFIL") submitted its application to the Companies Commission of Malaysia for strike off of DFZ Utara Sdn. Bhd., a dormant wholly owned subsidiary of DFZ Trading Sdn. Bhd., which in turn is a subsidiary of the Company. Upon completion of the strike off, DFZ Utara Sdn. Bhd. will cease to be a subsidiary of the Company.

Other than as disclosed above, there were no material events during and subsequent to the current quarter ended 30 November 2023.

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

Other than as disclosed in Note 10(a) and Note 10(c), there were no changes in the composition of the Group during the current quarter ended 30 November 2023.

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**12. Commitments**

The amount of commitments not provided for in the interim financial statements as at 30 November 2023 were as follows:

Capital commitments

**RM'000**

Purchase of property, plant and equipment:

Approved and contracted for	243
Approved but not contracted for	7,964
	8,207

**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>30-Nov-23</b>	<b>Preceding Quarter</b>	
	<b>RM'000</b>	<b>31-Aug-23</b>	<b>+ / (-)</b>
		<b>RM'000</b>	<b>%</b>
Revenue	117,192	105,938	10.6%
Operating profit	18,480	15,555	18.8%
Profit before interest expenses and taxation	12,698	10,136	25.3%
Profit before taxation	9,643	7,217	33.6%
Profit after taxation	7,524	4,808	56.5%
Profit attributable to equity holders of the parent	6,469	3,776	71.3%

Revenue for the quarter under review of RM117.2 million was higher as compared to the preceding quarter ended 31 August 2023 of RM105.9 million. The increase in revenue was largely due to higher revenue reported by the Automotive segment and Duty free segment.

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**14. Comment on Material Change in Profit Before Taxation Compared with Immediate Preceding Quarter (cont'd.)**

The Group reported a higher profit before taxation of RM9.6 million in the current quarter under review as compared to the preceding quarter's profit before taxation of RM7.2 million. The higher profit before taxation recorded was mainly contributed from the higher revenue as mentioned above compared to the preceding quarter ended 31 August 2023.

**15. Commentary on Prospects**

The Malaysian economy expanded moderately in the third quarter of 2023 (3.3%; 2Q 2023: 2.9%), growth was anchored by resilient domestic demand. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.6% (2Q 2023: 1.5%). Overall, the Malaysian economy expanded by 3.9% in the first three quarters of 2023<sup>1</sup>.

Given the positive indications of an ongoing economic recovery, the Group anticipates that the business environment in which it operates will continue to be challenging for the remaining quarter of financial year ending FY2024. This expectation stems from the escalating product and operating costs due to the weakening of the Ringgit Malaysia against major foreign currencies, along with the added strain of inflationary pressures and a cautious approach of consumer spending. Thus, the Group will continue its commitment to enhancing operational efficiency and effectiveness. This involves implementing stringent cost control measures while concurrently formulating strategies to adeptly navigate the ever-changing business landscape. The overarching objective is to safeguard the resilience and strength of the Group's core businesses amidst these challenges.

<sup>1</sup> Source from Bank Negara Malaysia – Economic and financial developments in Malaysia in the third 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.

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**17. Profit Before Taxation**

Included in the profit before taxation are the following items:

	Individual Quarter		Cumulative Quarter	
	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000
Bad debts written off	-	18	9	18
Bad debts recovered	-	-	(51)	-
Changes in fair value of marketable securities	2	-	2	-
Changes in fair value of biological assets	(7)	44	70	38
Gain on disposal of property, plant and equipment	(18)	(10)	(18)	(38)
Depreciation and amortisation	5,758	5,089	16,333	14,818
Interest expense	3,055	2,249	8,740	6,506
Interest income	(2,139)	(1,762)	(6,197)	(4,416)
Impairment loss on right-of-use assets	-	-	84	-
Inventories written off	3	5	18	2,556
Impairment loss on property, plant and equipment	-	312	-	312
Reversal of inventories written down	(170)	(871)	(529)	(5,846)
Reversal of impairment loss on receivables	-	-	(1)	(337)
Property, plant and equipment written off	-	2	-	5
Payment in relation to settlement with Customs	-	-	-	1,500
Realised foreign exchange (gain)/loss (net)	(315)	242	(226)	(9)
Unrealised foreign exchange gain (net)	(1,342)	(916)	(5,630)	(5,249)

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**18. Taxation**

	Individual Quarter		Cumulative Quarter	
	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000	Ended 30-Nov-23 RM'000	Ended 30-Nov-22 RM'000
Income tax				
- current period provision	2,019	1,634	5,950	4,868
- under/(over) provision in prior periods	65	(92)	98	(122)
Deferred taxation	35	(75)	108	(380)
	2,119	1,467	6,156	4,366

Lower effective tax rate in the current quarter under review was mainly due to higher non-taxable income relating to unrealised foreign exchange gain. Higher effective tax rate for the cumulative quarter under review was mainly due to certain expenses being disallowed for tax purposes.

**19. Corporate Proposals**

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

**20. Borrowings and Debt Securities**

	As at 30-Nov-23 RM'000	As at 28-Feb-23 RM'000
	Short Term Borrowings - Secured	
- Overdraft	874	-
- Trade facilities	1,357	5,718
- Revolving credit facilities	16,000	10,000
- Term loan	6,951	6,952
	25,182	22,670
Long Term Borrowings - Secured		
- Term loan	13,575	14,903
- Revolving credit facilities	43,000	-
	56,575	14,903
<b>Total Group's borrowings</b>	81,757	37,573

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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:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	<i>Total</i> RM'000
<b>At 30 November 2023</b>				
<b>Financial asset:</b>				
Marketable securities	2	-	-	2
<b>Financial liabilities:</b>				
Derivatives				
- Forward foreign exchange contracts	-	4	-	4
<b>Non-financial assets:</b>				
Biological assets	-	-	108	108
<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

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**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 30 November 2023</b>				
Forward foreign exchange contracts				
- Less than 1 year	702	4	-	4
<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 30 November 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.



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**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**

On 11 January 2024, the Company declared a second interim single tier ordinary dividend of 4.0 sen per share in respect of the financial year ending 29 February 2024 amounting to RM10.15 million of which book closure date is fixed on 31 January 2024 and is payable on 22 February 2024. For the financial year ending 29 February 2024, the total dividends paid/payable by the Company amounted to RM25.37 million, representing RM0.10 per ordinary share (9-month period ended 30 November 2022: RM0.04 per ordinary share totaling RM10.15 million).

**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 30-Nov-23	Ended 30-Nov-22	Ended 30-Nov-23	Ended 30-Nov-22
Profit attributable to ordinary equity holders of the parent (RM'000)	6,469	5,910	15,278	13,144
Number of ordinary shares in issue ('000)	<u>253,650</u>	<u>253,650</u>	<u>253,650</u>	<u>253,650</u>
Basic earnings per share (sen)	<u>2.55</u>	<u>2.33</u>	<u>6.02</u>	<u>5.18</u>

(b) Diluted

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

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**26. Significant Related Party Transactions**

There were no significant related party transactions with related company(ies)/party(ies) 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 January 2024.