



**ATLAN HOLDINGS BHD  
ANNOUNCEMENT TO BURSA MALAYSIA  
FOR THE FIRST QUARTER ENDED  
31 MAY 2024**

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED 31 MAY 2024**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	Ended 31-May-24 RM'000	Ended 31-May-23 RM'000	Ended 31-May-24 RM'000	Ended 31-May-23 RM'000
Revenue	9	117,915	101,765	117,915	101,765
Operating expenses		(102,586)	(89,325)	(102,586)	(89,325)
Other operating income		2,682	1,380	2,682	1,380
Net foreign exchange gain		(1,144)	2,013	(1,144)	2,013
Operating profit		16,867	15,833	16,867	15,833
Depreciation and amortisation		(5,895)	(5,074)	(5,895)	(5,074)
Finance costs		(2,810)	(2,766)	(2,810)	(2,766)
Share of results of an associate		211	15	211	15
Profit before taxation	9, 17	8,373	8,008	8,373	8,008
Taxation	18	(2,026)	(1,628)	(2,026)	(1,628)
Profit for the period		6,347	6,380	6,347	6,380
Attributable to:					
Equity holders of the parent		5,151	5,033	5,151	5,033
Non-controlling interests		1,196	1,347	1,196	1,347
		6,347	6,380	6,347	6,380
Earnings per share attributable to equity holders of the parent (sen)					
- Basic	25	2.03	1.98	2.03	1.98

*The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 29 February 2024 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 2024**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>31-May-24</b>	<b>31-May-23</b>	<b>31-May-24</b>	<b>31-May-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<u>6,347</u>	<u>6,380</u>	<u>6,347</u>	<u>6,380</u>
Other comprehensive income:				
- Foreign currency translation	<u>(628)</u>	<u>3,561</u>	<u>(628)</u>	<u>3,561</u>
Total comprehensive income for the period	<u>5,719</u>	<u>9,941</u>	<u>5,719</u>	<u>9,941</u>
Total comprehensive income attributable to:				
Equity holders of the parent	4,558	8,699	4,558	8,699
Non-controlling interests	<u>1,161</u>	<u>1,242</u>	<u>1,161</u>	<u>1,242</u>
	<u>5,719</u>	<u>9,941</u>	<u>5,719</u>	<u>9,941</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 29 February 2024 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 2024**

		<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>As at 31-May-24 RM'000</b>	<b>As at 29-Feb-24 RM'000</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		200,222	200,499
Investment properties		26,653	27,100
Goodwill		7,978	8,044
Intangible assets		134	178
Investment in associates		578	367
Other investments		137	137
Prepayment		-	4,000
Deferred tax assets		8,302	8,397
Development Rights	10(c)	13,500	-
Right-of-use assets		106,813	109,224
		<u>364,317</u>	<u>357,946</u>
<b>CURRENT ASSETS</b>			
Inventories		116,542	125,829
Biological assets		275	170
Capitalised contract costs		717	702
Trade and other receivables		73,176	73,383
Prepayments		3,352	3,883
Tax recoverable		7,887	7,450
Derivative assets		-	21
Marketable securities		2	2
Cash and bank balances		217,261	238,593
		<u>419,212</u>	<u>450,033</u>
<b>TOTAL ASSETS</b>		<u>783,529</u>	<u>807,979</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 31 MAY 2024 (CONT'D.)**

		<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>As at 31-May-24 RM'000</b>	<b>As at 29-Feb-24 RM'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		82,294	100,384
Employee benefits		404	514
Tax payable		1,072	1,180
Borrowings	<b>20</b>	27,434	29,259
Lease liabilities		5,414	5,156
		<u>116,618</u>	<u>136,493</u>
<b>NET CURRENT ASSETS</b>		<u>302,594</u>	<u>313,540</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		1,404	1,338
Deferred tax liabilities		8,904	8,847
Provision for restoration costs		704	704
Borrowings	<b>20</b>	44,153	51,318
Lease liabilities		100,227	101,810
		<u>155,392</u>	<u>164,017</u>
<b>TOTAL LIABILITIES</b>		<u>272,010</u>	<u>300,510</u>
<b>NET ASSETS</b>		<u>511,519</u>	<u>507,469</u>

**ATLAN HOLDINGS BHD***(Company Number: 173250-W)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)  
AS AT 31 MAY 2024 (CONT'D.)**

	(Unaudited)	(Audited)
	As at	As at
Note	31-May-24	29-Feb-24
	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	6,746	7,339
Other reserve	(74,930)	(75,560)
Retained earnings	125,852	120,701
	<u>414,196</u>	<u>409,008</u>
Non-controlling interests	97,323	98,461
<b>TOTAL EQUITY</b>	<u>511,519</u>	<u>507,469</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>783,529</u>	<u>807,979</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.63</u>	<u>1.61</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 29 February 2024 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 2024**

	← 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 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
<b>At 1 March 2024</b>	356,528	7,339	(75,560)	120,701	409,008	98,461	507,469
Profit for the period	-	-	-	5,151	5,151	1,196	6,347
Other comprehensive income	-	(593)	-	-	(593)	(35)	(628)
	-	(593)	-	5,151	4,558	1,161	5,719
<b>Transactions with owners:</b>							
Transfer to reserve	-	-	630	-	630	(630)	-
Effects of changes in shareholdings	-	-	-	-	-	(1,669)	(1,669)
<b>At 31 May 2024</b>	356,528	6,746	(74,930)	125,852	414,196	97,323	511,519

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 29 February 2024 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 2024**

	3 MONTHS ENDED	
	31-May-24 RM'000	31-May-23 RM'000
<b>Operating activities</b>		
Profit before taxation	8,373	8,008
Adjustments for:		
Changes in fair value of biological assets	(105)	42
Depreciation and amortisation	5,895	5,074
Impairment loss on right-of-use assets	-	84
Interest expense	2,810	2,766
Interest income	(2,107)	(2,001)
Inventories written down	762	-
Inventories written off	3	2
Reversal of inventories written down	-	(109)
Reversal of impairment loss on receivables	-	(1)
Loss on forward foreign exchange contracts	21	4
Unrealised loss/(gain) on foreign exchange (net)	987	(2,105)
Share of results of an associate	(211)	(15)
Operating cash flows before changes in working capital	16,428	11,749
Changes in working capital	(10,613)	19,812
Cash generated from operations	5,815	31,561
Tax paid	(2,124)	(1,298)
Employee benefits paid	(45)	(70)
Net cash flows generated from operating activities	3,646	30,193
<b>Investing activities</b>		
Acquisition of assets	(2,942)	(1,554)
Interest received	2,107	2,001
Development rights	(9,500)	-
Net cash outflow on acquisition of a subsidiary and assets	-	(61,139)
Net cash flows used in investing activities	(10,335)	(60,692)



# ATLAN HOLDINGS BHD

(Company Number: 173250-W)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED CASH FLOWS STATEMENT (UNAUDITED) FOR THE PERIOD ENDED 31 MAY 2024 (CONT'D.)

	3 MONTHS ENDED	
	31-May-24 RM'000	31-May-23 RM'000
<b>Financing activities</b>		
Payment of lease payments	(1,387)	(1,331)
Interest paid	(2,771)	(2,766)
Net (repayment)/drawdown of borrowings	(8,990)	43,248
Repayment of hire purchase liabilities	-	(19)
Net cash flows (used in)/generated from financing activities	<u>(13,148)</u>	<u>39,132</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(19,837)	8,633
<b>Effect of foreign exchange translation</b>	(1,495)	2,117
<b>Cash and cash equivalents at beginning of the period</b>	228,342	194,064
<b>Cash and cash equivalents at end of the period</b>	<u>207,010</u>	<u>204,814</u>
<b>Cash and cash equivalents at end of financial period comprise the following:</b>		
Cash and bank balances	217,261	218,342
Less: Pledged deposits	<u>(10,251)</u>	<u>(13,110)</u>
	207,010	205,232
Less: Bank overdraft	-	(418)
	<u>207,010</u>	<u>204,814</u>

### Reconciliation of liabilities arising from financing activities:

	Carrying amount as at 1 March 2024 RM'000	Cash flows RM'000	Non-cash changes Others RM'000	Carrying amount as at 31 May 2024 RM'000
Term loans	14,914	(165)	-	14,749
Trade facilities	5,663	(1,825)	-	3,838
Revolving credit facilities	60,000	(7,000)	-	53,000
Lease liabilities	106,966	(1,387)	62	105,641
Total liabilities from financing activities	<u>187,543</u>	<u>(10,377)</u>	<u>62</u>	<u>177,228</u>

*The Condensed Consolidated Cash Flows Statement should be read in conjunction with the audited financial statements for the year ended 29 February 2024 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 2024**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 29 February 2024. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 29 February 2024.

The interim financial statements have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

**2. Material Accounting Policies Information**

**(i) Changes in Accounting Policies**

The significant accounting policies adopted in preparing this condensed financial report are consistent with those of the audited financial statements for the year ended 29 February 2024, except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 March 2024:

<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

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 31 MAY 2024**

**2. Material Accounting Policies Information**

**(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 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
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 29 February 2024 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 2024.

**6. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2024**

**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 2024.

**8. Dividends Paid and Distributed**

For the current quarter ended 31 May 2024, there were no dividends paid and distributed.

**9. Segmental Information**

	Individual Quarter			Cumulative Quarter		
	Ended	Ended	+ / (-)	Ended	Ended	+ / (-)
	31-May-24	31-May-23		31-May-24	31-May-23	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Segment Revenue</b>						
Duty free	38,006	36,802	3.3%	38,006	36,802	3.3%
Automotive	66,643	57,747	15.4%	66,643	57,747	15.4%
Property and hospitality	12,449	6,443	93.2%	12,449	6,443	93.2%
Investment holding	1,006	960	4.8%	1,006	960	4.8%
Others	1,575	1,676	(6.0%)	1,575	1,676	(6.0%)
	<u>119,679</u>	<u>103,628</u>	<u>15.5%</u>	<u>119,679</u>	<u>103,628</u>	<u>15.5%</u>
Eliminations	<u>(1,764)</u>	<u>(1,863)</u>	<u>(5.3%)</u>	<u>(1,764)</u>	<u>(1,863)</u>	<u>(5.3%)</u>
Group revenue	<u>117,915</u>	<u>101,765</u>	<u>15.9%</u>	<u>117,915</u>	<u>101,765</u>	<u>15.9%</u>
<b>Segment Results</b>						
Duty free	3,371	3,031	11.2%	3,371	3,031	11.2%
Automotive	8,225	5,346	53.9%	8,225	5,346	53.9%
Property and hospitality	(121)	(280)	(56.8%)	(121)	(280)	(56.8%)
Investment holding	(2,204)	1,400	(257.4%)	(2,204)	1,400	(257.4%)
Others	(898)	(1,489)	(39.7%)	(898)	(1,489)	(39.7%)
Profit before taxation	<u>8,373</u>	<u>8,008</u>	<u>4.6%</u>	<u>8,373</u>	<u>8,008</u>	<u>4.6%</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 2024**

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

**Segment Revenue**

- (a) The Duty free segment recorded higher revenue of RM38.0 million in 1QFY2025 as compared to the revenue recorded of RM36.8 million in 1QFY2024. The increase was mostly driven by increase in travel and tourism, effective strategic advertising, and the expansion of product offerings by the duty free outlets.
- (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 the Property and hospitality segment in the current quarter under review compared to the corresponding quarter in the previous financial year. This increase in revenue was primarily due to the sale of three units of 3-storey semi-detached houses held as inventories during the current quarter under review. In addition, Belle Isle Hotels (Cornwall) Management Limited (“BIM”) reported three months revenue amounting to RM6.5 million as compared to the corresponding quarter of the preceding year, whereby BIM reported only two months of revenue amounting to RM4.2 million as the acquisition was completed on 3 April 2023. However, these positive effects were 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.

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2024**

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

**Segment Results**

- (a) Duty free segment reported a profit before taxation of RM3.4 million in the current quarter under review as compared to a profit before taxation of RM3.0 million in 1QFY2024. The improvement in the profit before taxation in the current quarter under review was mainly due to higher revenue recorded as mentioned above.
- (b) Automotive segment registered a profit before taxation of RM8.2 million in the current quarter under review as compared to a profit before taxation of RM5.3 million in 1QFY2024. The increase in profit before taxation in the current quarter under review was mainly due to higher revenue recorded as well as improvement in gross margin.
- (c) In the Property and hospitality segment, loss before taxation of RM0.1 million was reported in the current quarter under review as compared to a loss before taxation of RM0.3 million reported in the corresponding quarter of the preceding year. Lower loss before taxation incurred in the current quarter under review was mainly due to the higher revenue recorded as mentioned above.
- (d) Investment holding segment reported loss before taxation of RM2.2 million in the current quarter under review as compared to profit before taxation of RM1.4 million in 1QFY2024. The loss before taxation was mainly due to net loss in foreign exchange amounting to RM1.1 million reported in the current quarter under review as compared to net gain in foreign exchange amounting to RM2.0 million reported in the corresponding quarter of the preceding year.
- (e) In the Others segment, lower losses reported in current quarter as compared to the corresponding quarter in the previous financial year mainly due to lower expenses incurred.

**ATLAN HOLDINGS BHD – 173250 W**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2024**

**10. Significant and Subsequent Events**

- (a) 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%.

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%.

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: 1,055  
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.

- (b) On 9 April 2024, the subsidiary of the Company, Duty Free International Limited (“DFIL”) submitted its application to Accounting and Corporate Regulatory Authority to strike off Brand Connect Holding Pte. Ltd., Brand Connect Asia Pacific Pte. Ltd., Brand Connect Pte. Ltd. and Drinks Hub Asia Pte. Ltd. (collectively, the “BC Group”), which in turn are the subsidiaries of the Company. The striking off of BC Group is not expected to have any material impact on the net tangible assets and earnings per share of the Company. Upon completion of the strike off, BC Group will cease to be subsidiaries of DFIL and the Company.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2024**

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

(c) On 27 May 2019, a Privatisation Cum Development Agreement was signed between the State Government of Johor, The State Secretary, Johor (Incorporated) (“SSI”), Majlis Bandaraya Johor Bahru (“MBJB”), and Kelana Megah Sdn. Bhd. (“KMSB”), a subsidiary of the Company. Under this agreement, the State Government of Johor and SSI agreed to grant KMSB land rights for the development of the land parcel bearing lot number PTB20379, located at Stulang Laut, district of Johor Bahru. In return, KMSB is obligated to pay of RM10,000,000 and RM3,500,000 as development return (“Development Rights”) to the State Government of Johor and MBJB respectively. As of 29 February 2024, a partial payment totalling RM4.0 million (“Prepayment”) had been made to the State Government of Johor and MBJB. During the quarter under review, the Prepayment of RM4.0 million was reclassified to Development Rights.

On 18 March 2024, KMSB paid the remaining outstanding balance of RM9.5 million in full. In accordance to Clause 5.02(c) of the Privatisation Cum Development Agreement, upon full payment of the development return, SSI is obligated to transfer the said land title to KMSB. As at the date of this report, the transfer of the land title is still pending completion.

Other than as disclosed above, there were no material events during and subsequent to the current quarter ended 31 May 2024.

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

Other than as disclosed in Note 10(b), there were no changes in the composition of the Group during the current quarter ended 31 May 2024.

**12. Commitments**

The amount of commitments not provided for in the interim financial statements as at 31 May 2024 were as follows:

Capital commitments

Purchase of property, plant and equipment:

Approved and contracted for

Approved but not contracted for

**RM'000**

3,897

7,948

11,845



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PERIOD ENDED 31 MAY 2024**

**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-24</b>	<b>Preceding Quarter</b>	
	<b>RM'000</b>	<b>28-Feb-24</b>	<b>+/(-)</b>
		<b>RM'000</b>	<b>%</b>
Revenue	117,915	128,665	(8.4%)
Operating profit	16,867	18,026	(6.4%)
Profit before interest expenses and tax	11,183	11,544	(3.1%)
Profit before tax	8,373	8,519	(1.7%)
Profit after tax	6,347	6,603	(3.9%)
Profit attributable to equity holders of the parent	5,151	5,071	1.6%

Revenue for the quarter under review of RM117.9 million was lower as compared to the preceding quarter ended 29 February 2024 of RM128.7 million. The drop in revenue was largely due to lower revenue reported by Duty free segment and Automotive segment.

The Group reported a comparable profit before taxation of RM8.4 million in the current quarter under review as compared to the preceding quarter’s pre-tax profit.

**15. Commentary on Prospects**

The Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports and household spending was higher amid continued growth in employment and wages. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%).<sup>1</sup>

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

The economy has improved, indicating underlying strength and potential opportunities. However, the Group expects the business environment in which it operates will continue to be challenging for the financial year ending 2025. This stems from the escalating product and operating costs due to the weakened Ringgit Malaysia against major foreign currencies, together with extra strain from inflationary forces and a prudent approach to consumer spending.

Therefore, the Group remains committed to enhancing operational efficiency and effectiveness. This entails implementing strict cost control measures while also developing strategies to adjust and thrive in the ever-changing business environment. The overarching goal is to ensure that the Group's core businesses remain resilient and robust in the face of these challenges in the remaining quarters of the financial year ending 28 February 2025.

<sup>1</sup> Source from Bank Negara Malaysia – Economic and financial developments in Malaysia in the first quarter of 2024

**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-24 RM'000	Ended 31-May-23 RM'000	Ended 31-May-24 RM'000	Ended 31-May-23 RM'000
Changes in fair value of biological assets	(105)	42	(105)	42
Depreciation and amortisation	5,895	5,074	5,895	5,074
Interest expense	2,810	2,766	2,810	2,766
Interest income	(2,107)	(2,001)	(2,107)	(2,001)
Impairment loss on right-of-use assets	-	84	-	84
Inventories written down	762	-	762	-
Inventories written off	3	2	3	2
Reversal of inventories written down	-	(109)	-	(109)
Reversal of impairment loss on receivables	-	(1)	-	(1)
Loss on forward foreign exchange contracts	21	4	21	4
Realised foreign exchange loss (net)	157	92	157	92
Unrealised foreign exchange loss/(gain) (net)	987	(2,105)	987	(2,105)

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**18. Taxation**

	Individual Quarter		Cumulative Quarter	
	Ended 31-May-24 RM'000	Ended 31-May-23 RM'000	Ended 31-May-24 RM'000	Ended 31-May-23 RM'000
Income tax				
- current period provision	1,873	1,670	1,873	1,670
Deferred taxation	153	(42)	153	(42)
	2,026	1,628	2,026	1,628

The effective tax rate in the current quarter under review is comparable to the statutory tax rate.

**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**

	As at 31-May-24 RM'000	As at 29-Feb-24 RM'000
Short Term Borrowings - Secured		
- Trade facilities	3,838	5,663
- Revolving credit facility	7,000	7,000
- Term loan	6,596	6,596
	17,434	19,259
Short Term Borrowings - Unsecured		
- Revolving credit facility	10,000	10,000
	27,434	29,259
Long Term Borrowings - Secured		
- Term loan	8,153	8,318
- Revolving credit facility	36,000	43,000
	44,153	51,318
<b>Total Group's borrowings</b>	<b>71,587</b>	<b>80,577</b>

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PERIOD ENDED 31 MAY 2024**

**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 2024</b>				
<b>Financial asset:</b>				
Marketable securities	2	-	-	2
<b>Non-financial assets:</b>				
Biological assets	-	-	275	275
<b>At 29 February 2024</b>				
<b>Financial assets:</b>				
Marketable securities	2	-	-	2
Derivatives				
- Forward foreign exchange contracts	-	21	-	21
<b>Non-financial asset:</b>				
Biological assets	-	-	170	170

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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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2024**

**22. Derivative Financial Instruments**

	Notional Amount RM'000	Fair value RM'000	Assets RM'000	Liabilities RM'000
<b>At 31 May 2024</b>				
Forward foreign exchange contracts				
- Less than 1 year	-	-	-	-
<b>At 29 February 2024</b>				
Forward foreign exchange contracts				
- Less than 1 year	596	21	21	-

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 2024, the Group recognised a loss on forward foreign exchange contracts of RM21,000 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**

On 11 July 2024, the Company declared a first interim single tier ordinary dividend of 1.0 sen per share in respect of the financial year ending 28 February 2025 amounting to RM2.54 million of which the book closure date is fixed on 26 July 2024 and is payable on 15 August 2024. For the financial year ending 28 February 2025, the total dividends payable by the Company amounts to RM2.54 million or RM0.01 per ordinary share (3-month period ended 31 May 2024: Nil).

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 31 MAY 2024**

**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-24	Ended 31-May-23	Ended 31-May-24	Ended 31-May-23
Profit attributable to ordinary equity holders of the parent (RM'000)	5,151	5,033	5,151	5,033
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>2.03</u>	<u>1.98</u>	<u>2.03</u>	<u>1.98</u>

(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 2024.