

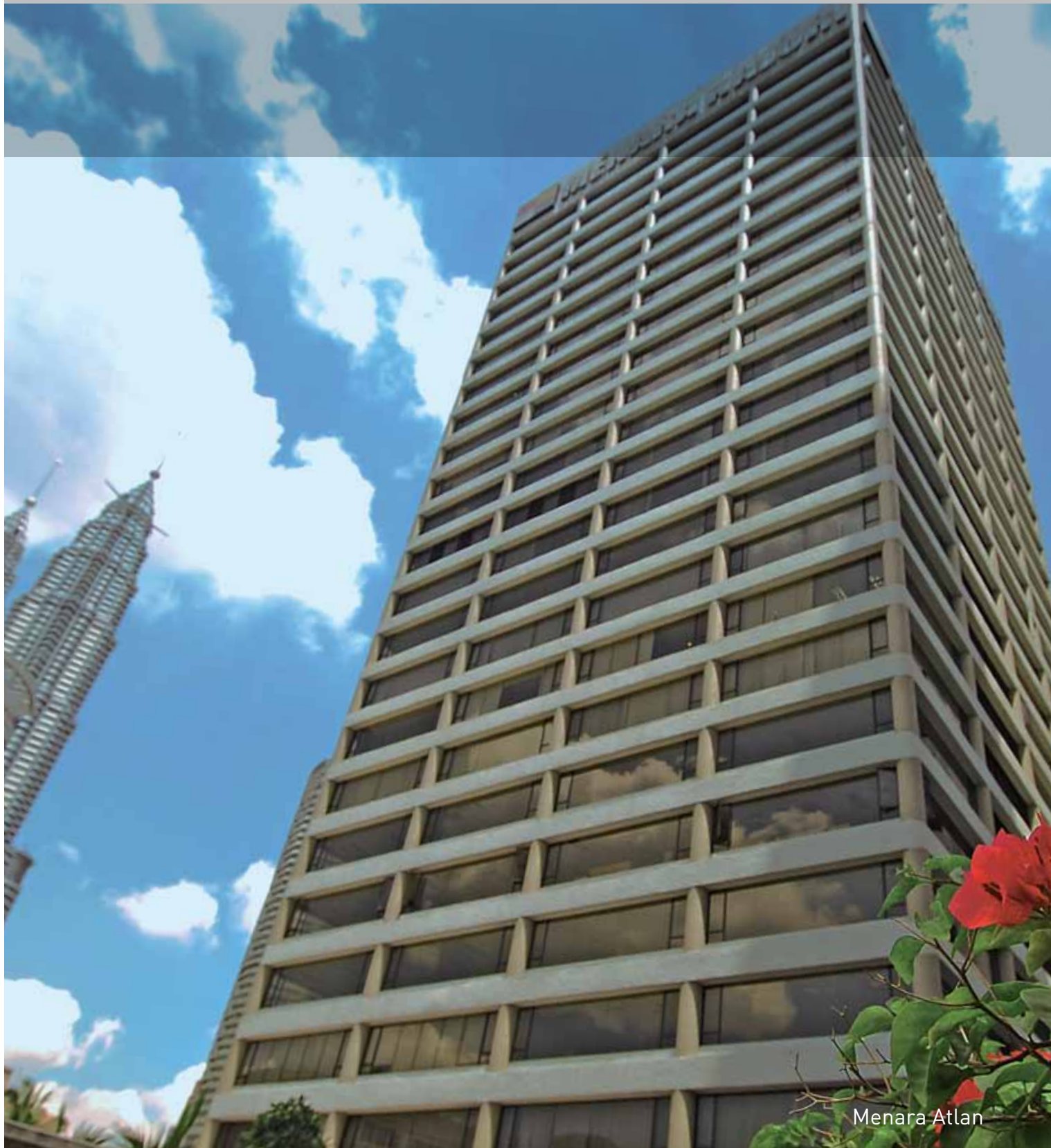


**Annual Report**  Laporan Tahunan

**2024**

# CHARTING A NEW DIRECTION

At ATLAN, progress is more than just profits. We believe in creating possibilities by looking far and beyond the conventional. We are committed in seeking new technologies, partnerships and ideas to achieve higher returns to all stakeholders.



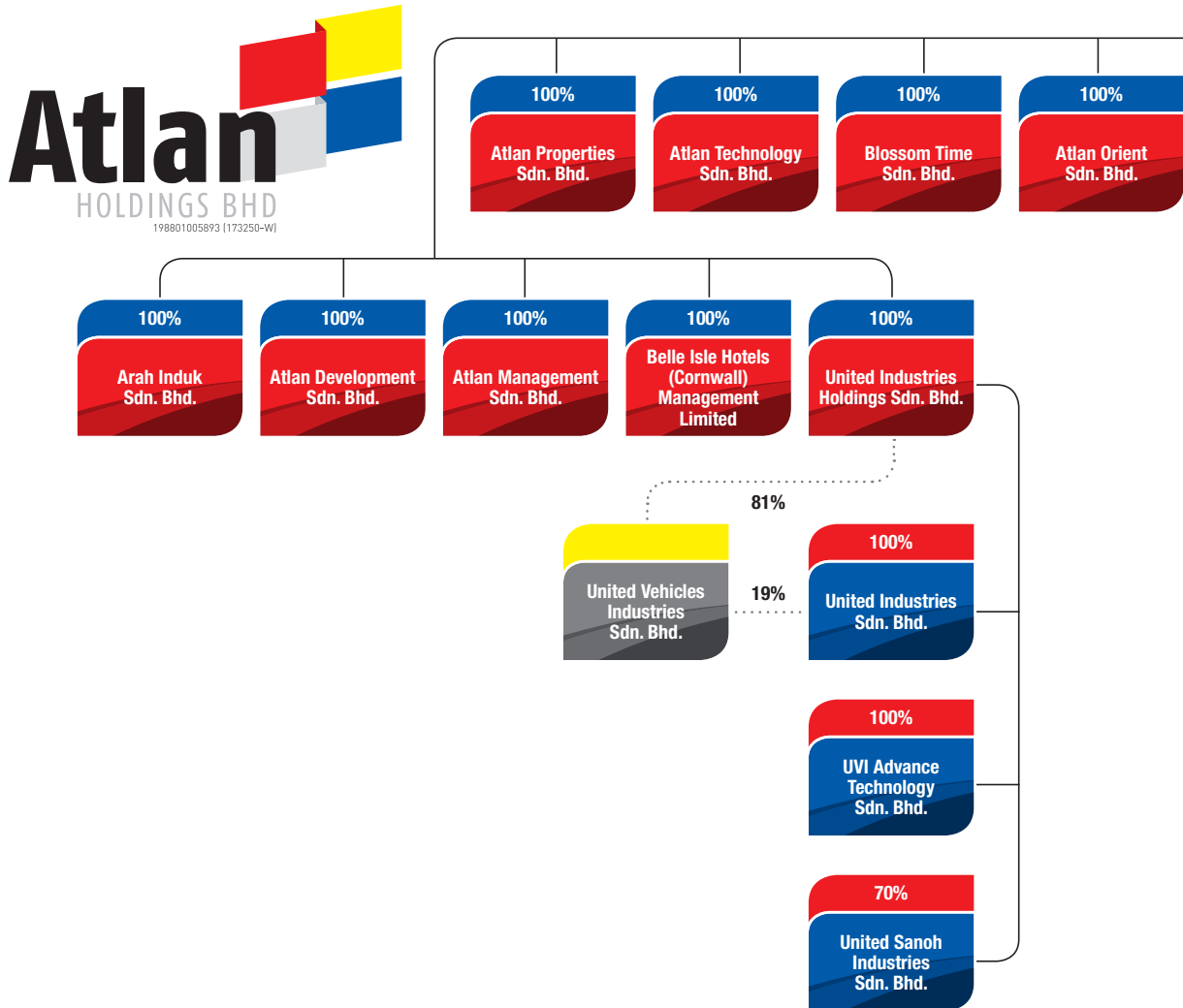
Menara Atlan

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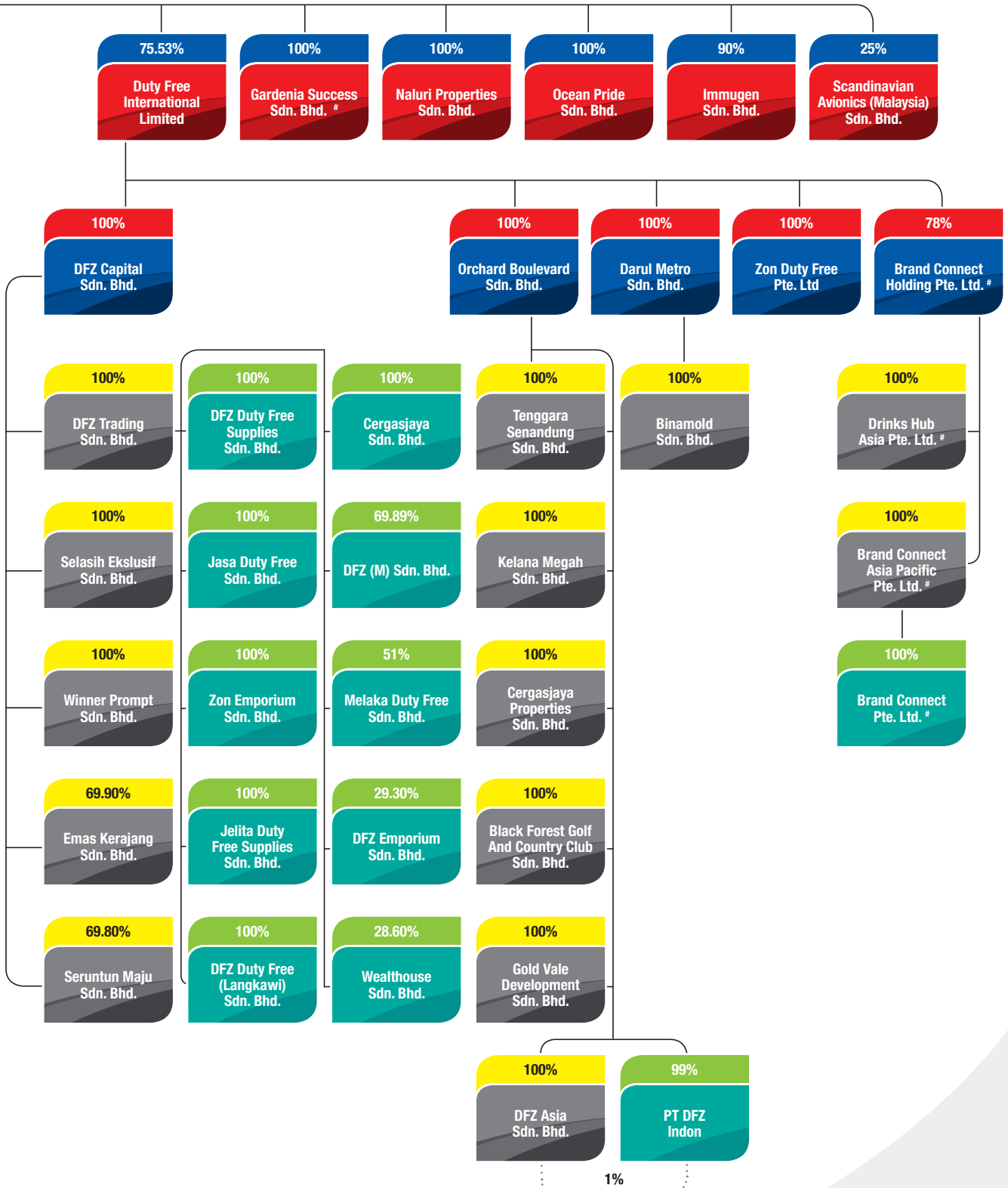
# Corporate Structure

(as at 10 June 2024)



Corporate Structure

(Cont'd)



# In the process of striking-off

# Corporate Information

## BOARD OF DIRECTORS

**Dato' Sri Adam Sani Bin Abdullah**  
Executive Chairman

**Lee Sze Siang**  
Executive Director

**Dato' Sri Robin Tan  
Yeong Ching**  
Non-Independent Non-Executive Director

**Tan Thiam Chai**  
Non-Independent Non-Executive Director

**Tuan Haji Mohd Jaffar Bin  
Awang (Ismail)**  
Senior Independent Non-Executive Director

**Dato' Woo Hon Kong**  
Independent Non-Executive Director

**Raja Dato' Sri Shaharudin Shah Bin  
Raja Jalil Shah**  
Independent Non-Executive Director

**Dato' Dr Abdul Razak Bin Abdul**  
Independent Non-Executive Director

**Datuk Zawati Binti  
Abd Rahman**  
Independent Non-Executive Director

## AUDIT AND RISK MANAGEMENT COMMITTEE

Dato' Dr Abdul Razak Bin Abdul  
(Chairman)

Tuan Haji Mohd Jaffar Bin Awang (Ismail)

Raja Dato' Sri Shaharudin Shah  
Bin Raja Jalil Shah

Datuk Zawati Binti Abd Rahman

## REMUNERATION COMMITTEE

Raja Dato' Sri Shaharudin Shah  
Bin Raja Jalil Shah  
(Chairman)

Tuan Haji Mohd Jaffar Bin Awang (Ismail)

Dato' Dr Abdul Razak Bin Abdul

## NOMINATION COMMITTEE

Tuan Haji Mohd Jaffar Bin Awang (Ismail)  
(Chairman)

Raja Dato' Sri Shaharudin Shah  
Bin Raja Jalil Shah

Dato' Dr Abdul Razak Bin Abdul

## COMPANY SECRETARIES

Chua Siew Chuan  
(SSM PC No. 201908002648, MAICSA 0777689)

Thum Sook Fun  
(SSM PC No. 201908000139, MIA 24701)

## Corporate Information

(Cont'd)

**REGISTERED OFFICE**

17<sup>th</sup> Floor, Menara Atlan  
161B Jalan Ampang  
50450 Kuala Lumpur, Malaysia  
Tel : 603 – 2179 2000  
Fax : 603 – 2179 2390  
Email : ir@atlan.com.my

**INVESTOR RELATIONS**

Lee Sze Siang  
17<sup>th</sup> Floor, Menara Atlan  
161B Jalan Ampang  
50450 Kuala Lumpur, Malaysia  
Tel : 603 – 2179 2000  
Fax : 603 – 2179 2390  
Email : ir@atlan.com.my

**CORRESPONDENCE ADDRESS**

17<sup>th</sup> Floor, Menara Atlan  
161B Jalan Ampang  
50450 Kuala Lumpur, Malaysia  
Tel : 603 – 2179 2000  
Fax : 603 – 2179 2390  
Web : <https://www.atlan.com.my>

**SHARE REGISTRAR**

Securities Services (Holdings) Sdn. Bhd.  
Registration No. 197701005827 (36869-T)  
Level 7, Menara Milenium, Jalan Damanlela  
Pusat Bandar Damansara, Damansara Heights  
50490 Kuala Lumpur, Malaysia  
Tel : 603 – 2084 9000  
Fax : 603 – 2094 9940 /  
603 – 2095 0292  
Email : info@sshsb.com.my

**PRINCIPAL BANKERS**

Affin Bank Berhad  
CIMB Bank Berhad  
RHB Bank Berhad  
OCBC Bank (Malaysia) Bhd  
Industrial and Commercial Bank of  
China (Malaysia) Berhad

**AUDITORS**

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Block J , Level 13A, Wisma AIA  
Jalan Seri Tanjung Pinang  
Tanjung Tokong  
10470 Pulau Pinang  
Tel : 604 – 688 1888  
Fax : 604 – 688 1808

**STOCK EXCHANGE LISTING**

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : Atlan  
Stock Code : 7048  
Stock Sector : Consumer Products  
& Services  
Listing Date : 15 January 1996

## Profile of Directors

### Dato' Sri Adam Sani Abdullah

Executive Chairman

AGE

68

Gender



Nationality



**DATO' SRI ADAM SANI ABDULLAH**, was appointed as Chairman of the Company on 16 June 2000 and subsequently re-designated as Executive Chairman on 14 January 2022.

Dato' Sri Adam is a self-made entrepreneur for more than 44 years. He received his primary education in Malaysia and secondary education in the United Kingdom.

He is also the Non-Executive Chairman of Duty Free International Limited, a company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

Dato' Sri Adam does not have any family relationship with any director.

Dato' Sri Adam has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries. Other than our Company, Dato' Sri Adam does not hold any directorship in public companies and public listed companies.

Dato' Sri Adam has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

### Lee Sze Siang

Executive Director

AGE

54

Gender



Nationality



**LEE SZE SIANG**, was appointed as Executive Director of the Company on 16 June 2000. He was re-designated to Non-Executive Director on 27 December 2004 and subsequently re-designated as Executive Director of the Company on 8 October 2008.

He holds a professional qualification from the Australia Society of Certified Practising Accountants. He is also a member of the Malaysian Institute of Accountants. Previously, he was with KPMG, a firm of public accountants.

He is the Executive Director (Finance and Corporate Services) of Duty Free International Limited, a company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

Other than our Company, he does not hold any directorship in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

## Profile of Directors

(Cont'd)

### Dato' Sri Robin Tan Yeong Ching

Non-Independent Non-Executive Director

AGE

**50**

Gender



Nationality



**DATO' SRI ROBIN TAN YEONG CHING**, was appointed as a Non-Independent Non-Executive Director of the Company on 18 December 2012.

He graduated with a Bachelor of Social Science degree in Accounting/Law from the University of Southampton, United Kingdom, in 1995. He joined Berjaya Group Berhad in 1995 as an Executive and subsequently became the General Manager, Corporate Affairs in 1997.

Currently, he is the Executive Chairman of Sports Toto Berhad and Deputy Chairman of Berjaya Land Berhad. He is also a Director of KDE Recreation Berhad and an Executive Director of STM Lottery Sdn Bhd, Berjaya Hartanah Berhad, Bukit Kiara Resort Berhad and Staffield Country Resort Berhad. He also holds directorships in several other private limited companies in the Berjaya Corporation Group of companies.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

### Dato' Woo Hon Kong

Independent Non-Executive Director

AGE

**59**

Gender



Nationality



**DATO' WOO HON KONG**, was appointed as Non-Independent Non-Executive Director of the Company on 24 April 2002. He was re-designated to the Executive Director position on 5 July 2002 and subsequently re-designated as Non-Independent Non-Executive Director of the Company on 30 October 2008. He was further re-designated to Independent Non-Executive Director of the Company on 16 May 2014.

He holds a Bachelor of Laws degree from the University of Canterbury, New Zealand. He started his career in 1988 as a legal assistant and joined a mid-size legal firm as a partner in 1989 until 1994. He subsequently oversees the management and financial matters of companies involved in real estate and equities market locally and overseas prior to joining Atlan Group.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

Other than our Company, Dato' Woo does not hold any directorship in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

## Profile of Directors

(Cont'd)

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### Tan Thiam Chai

Non-Independent Non-Executive Director

AGE

**65**

Gender



Nationality




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**TAN THIAM CHAI**, was appointed as a Non-Independent Non-Executive Director of the Company on 18 December 2012.

He graduated with a Diploma in Commerce (Financial Accounting) from Kolej Tunku Abdul Rahman (now known as Tunku Abdul Rahman University of Management and Technology) and also completed The Association of Chartered Certified Accountants (UK) professional course in 1981. He is a Fellow member of the Association of Chartered Certified Accountants (UK) since 1990 and also a member of the Malaysian Institute of Accountants.

He started work with an accounting firm in Kuala Lumpur for about 2 years and thereafter served in various Finance and Accounting positions with the Hong Leong Group of Companies in Malaysia as well as in Hong Kong for about 8 years. He joined Berjaya Group of Companies in early 1991 as a Finance Manager of an operating subsidiary and was promoted to Operation Manager later that year. In 1992, he was transferred to the Corporate Head Office of Berjaya Group Berhad to head the Group Internal Audit function and subsequently in 1993, he was promoted to oversee the Group Accounting function of Berjaya Group Berhad. He was appointed as the Chief Financial Officer of Berjaya Corporation Berhad on 18 July 2008 and held the said position till his retirement at the end of year 2018.

He is currently the Financial Adviser of Berjaya Corporation Berhad. He is also a Director of Berjaya Food Berhad, Berjaya Vacation Club Berhad, Indah Corporation Berhad, Cosway Corporation Berhad, Tioman Island Resort Berhad, Berjaya Japan Developments Berhad and Cosway Corporation Limited (Hong Kong). He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

## Profile of Directors

(Cont'd)

### Tuan Haji Mohd Jaffar Bin Awang (Ismail)

Senior Independent Non-Executive Director

AGE

70

Gender



Nationality



**TUAN HAJI MOHD JAFFAR BIN AWANG (ISMAIL)**, was appointed as an Independent Non-Executive Director of the Company on 16 May 2017.

He hold a Master of Arts (South East Asean Studies) from University of Hull, United Kingdom and Bachelor of Social Science (Political Science) from University Sains Malaysia (USM).

He has had more than 30 years experience in the government, serving the Johor Civil Service where he held the position of Mayor at Johor Bahru City Council at the time he retired. Currently, he is a Director of Haily Group Berhad and hold directorships in several other private limited Companies.

He serves as a chairman of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

### Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah

Independent Non-Executive Director

AGE

66

Gender



Nationality



**RAJA DATO' SRI SHAHARUDIN SHAH BIN RAJA JALIL SHAH**, was appointed as an Independent Non-Executive Director of the Company on 13 June 2018.

He holds a B.A.(Hons) Degree in Accounting and Finance from Middlesex University, United Kingdom. He began his working career in Malaysia in 1985 by joining Permodalan Nasional Berhad (PNB) as a Senior Executive in the Investments Division. In 1990 he left PNB and became Manager of Corporate and Business Development in a public listed company, Malaysian General Investment Corporation Berhad (MGIC). Subsequently, he was appointed as Executive Director of its stockbroking arm, MGIC Securities Sdn. Bhd. (MGICS) in 1992. In 1997, he left MGICS to become Director (Institutional Sales) in Alliance Investment Bank Berhad (AIBB). After leaving AIBB in 2013, he is currently serving as a member of the Board of Directors of Deru Semangat Sdn. Bhd., which is involved in the cultivation of oil palm in Pahang.

He serves as Chairman of the Remuneration Committee and a Member of the Nomination Committee and Audit and Risk Management Committee of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

Other than our Company, he does not hold any directorship in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

## Profile of Directors

(Cont'd)

### Dato' Dr Abdul Razak Bin Abdul

Independent Non-Executive Director

AGE

**74**

Gender



Nationality



**DATO' DR ABDUL RAZAK BIN ABDUL**, was appointed as an Independent Non-Executive Director of the Company on 6 January 2022.

He holds a PhD (International Business) from Katholiek University of Leuven, Belgium and an MBA (Finance) from New York University. He began his working career as lecturer in Institute Teknologi MARA ("ITM") in 1973 and became the Head of ITM's School of Business in 1981. He has been actively involved in the insurance industry since 1983 and has managed both insurance and insurance broking companies. In 1990, he was appointed as Managing Director of then Ayer Hitam Tin Dredging Bhd and from there onward he has been actively involved in several Public Listed companies especially in their corporate restructuring exercises. Among others, he was a Director of Petaling Tin Berhad, Mutiara Goodyear Development Bhd, Kemayan Bhd, Idris Hydraulic Bhd and FACB Industries Incorporated Berhad.

He was also involved and hold directorship in several other private limited companies, He was the Executive Chairman of Federal Power Sdn Bhd, a power cable manufacturing firm, from 2007 to 2017. He is the President of Malaysian Cable Manufacturer Association (MCMA) since 2005 until 2023 and currently is appointed as Advisor as MCMA.

He was also involved and contributed to several governmental organizations and activities. Notably, he was appointed as Chairman of Human Resources Development Fund (HRDF), an agency under Ministry of Human Resources, from 2013 to 2017. Currently, he is in the board of Yayasan Budiman UiTM which oversee the development of all its alumni.

He serves as Chairman of the Audit and Risk Management Committee and a Member of the Nomination Committee and Remuneration Committee of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

## Profile of Directors

(Cont'd)

### Datuk Zawati Binti Abd Rahman

Independent Non-Executive Director

AGE

**62**

Gender



Nationality



**DATUK ZAWATI BINTI ABD RAHMAN**, was appointed as an Independent Non-Executive Director of the Company on 19 April 2022.

She holds a Master of Business Administration (Finance) from Central State University, Oklahoma, USA and Bachelor of Business Administration (Finance) from Oklahoma State University, USA. She brings with her more than 30 years investment and business leadership experience, having worked in the banking and telecommunication industries. She also has extensive experience in providing financial training and management consultancy services.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

She serves as a member of the Audit and Risk Management Committee of the Company.

Other than our Company, she does not hold any directorship in public companies and public listed companies.

She has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

# Profile of Key Senior Management

## Ho Yuet Leng

Group General Manager - Finance & Corporate Services

AGE

61

Gender



Nationality



**HO YUET LENG**, joined the Group as Head of Finance and Corporate Services in October 2002, and was subsequently promoted to Group General Manager – Finance and Corporate Services in January 2006. Prior to joining the Group, she was the Finance Director of a listed Company on Bursa Malaysia Securities Berhad from years 1995 to 2002. From years 1983 to 1992, she worked in an international public accounting firm.

She holds a professional qualification from The Malaysian Institute of Certified Public Accountant. She is also a member of the Malaysian Institute of Accountants.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

She does not hold any directorships in public companies and public listed companies.

She has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

## Khoo Chun Keong

Chief Executive Officer of United Industries Holdings Sdn Bhd

AGE

52

Gender



Nationality



**KHOO CHUN KEONG**, was appointed as Chief Executive Officer of United Industries Holdings Sdn Bhd on 1 September 2017.

He started with KPMG in 1992 under its articleship program and graduated in 1994. He subsequently joined a public listed company assisting the Managing Director to oversee its operations and expansion before moving on to his consultancy company.

He holds a professional qualification from the Malaysian Institute of Certified Public Accountant and also a member of the Malaysian Institute of Accountants.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He does not hold any directorships in public companies and public listed companies.

He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

Profile of Key Senior Management

(Cont'd)

**Mark Trevor Rudrum**

Chief Executive Officer of  
Belle Isle Hotels (Cornwall) Management Limited

AGE

**50**

Gender



Nationality



**MARK TREVOR RUDRUM**, joined the Group as CEO of Belle Isle Hotels (Cornwall) Management Limited in April 2023.

Prior to joining the Group he was 100% shareholder of Belle Isle Hotels (Cornwall) Management Limited. He has been involved with The Cornwall Hotel since 2003 and secured planning consent for the development and managed the building development and opening of the hotel, spa and lodges. He is also active in property ownership and residential and commercial property management.

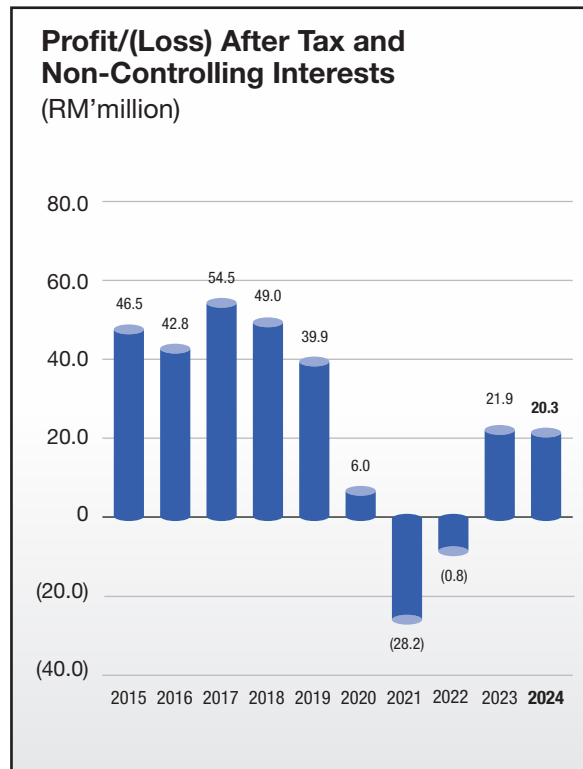
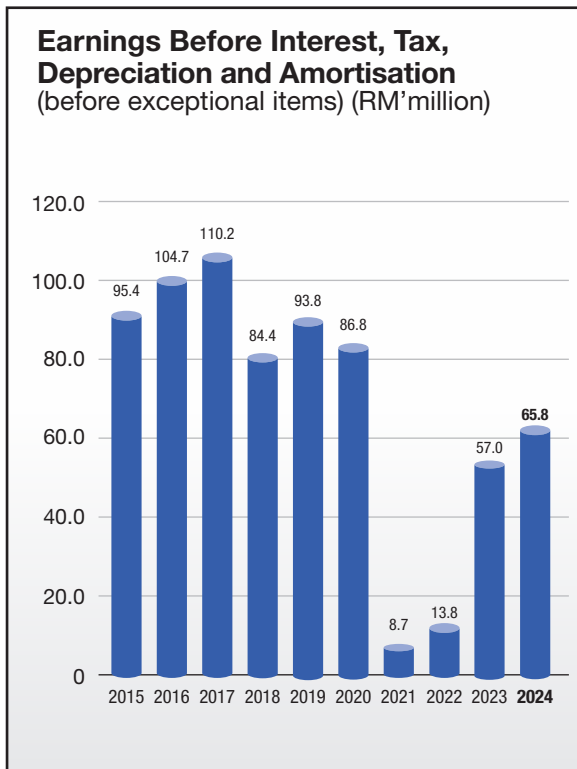
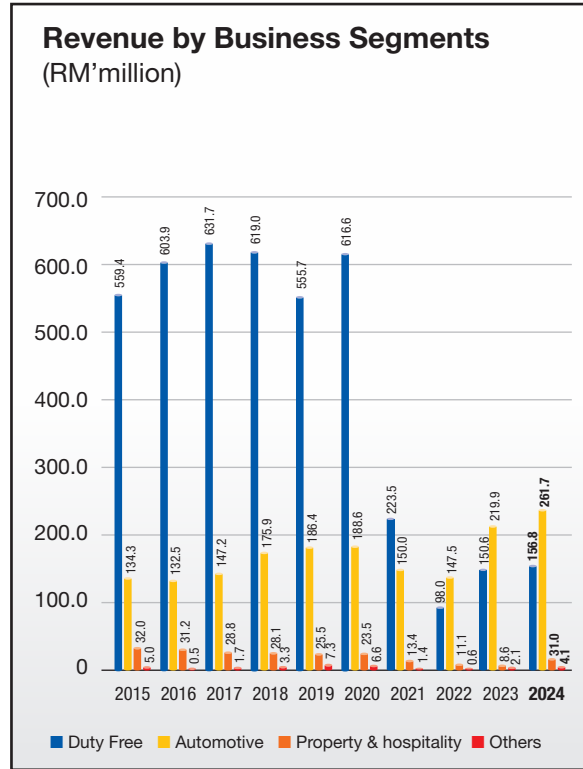
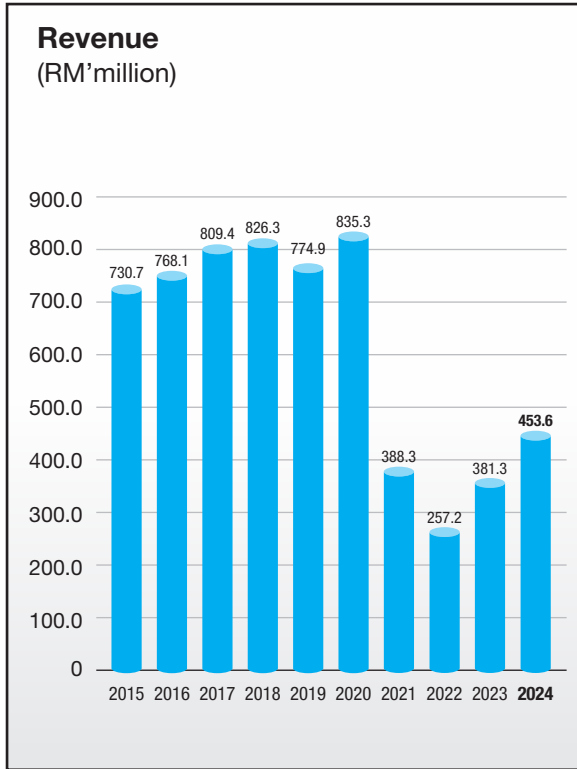
He has held key management positions and directorships since 1998, for companies specialising in solid fuel distribution, property management and development and hospitality. He received his primary and secondary education in the United Kingdom.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries.

He does not hold any directorships in public companies and public listed companies.

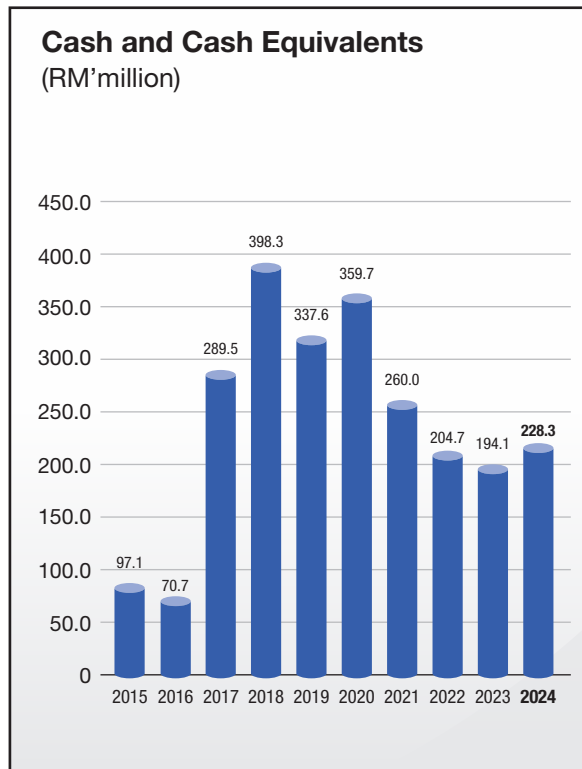
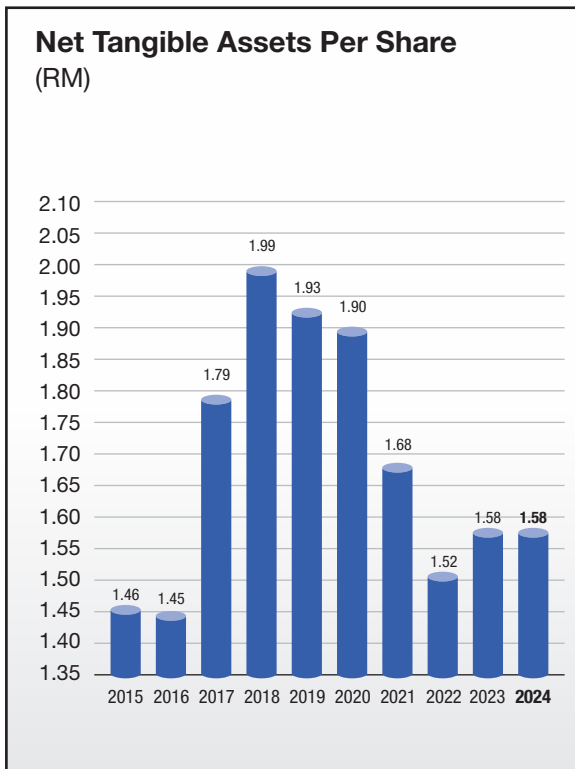
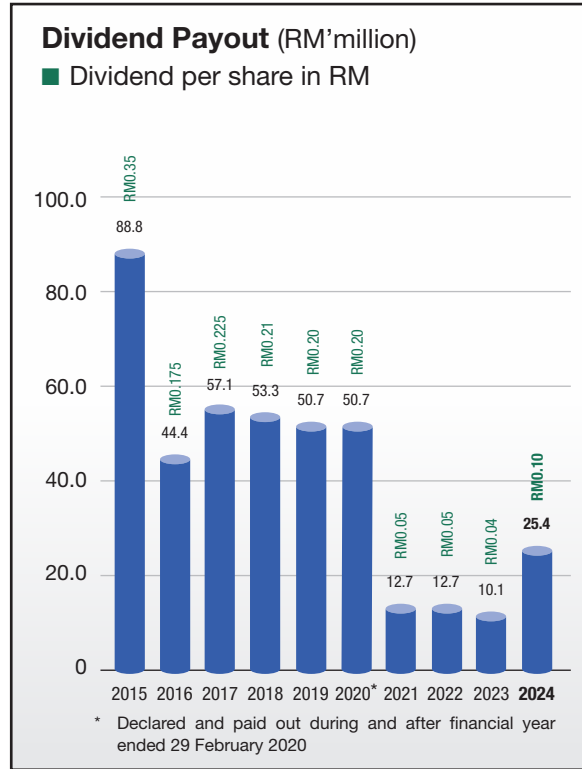
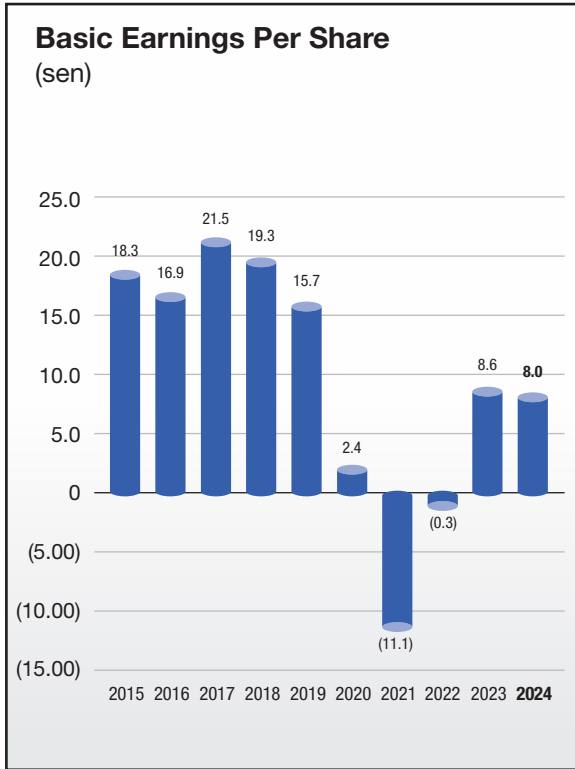
He has not been convicted of any offences within the past 5 years other than traffic offences and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

# Financial Highlights



Financial Highlights

(Cont'd)



# Chairman's Statement

Bismillahirrahmanirrahim  
Assalamualaikum  
Warahmatullahi  
Wabarakatuh

On behalf of the Board of Directors (“**Board**”) of Atlan Holdings Bhd (“**Atlan**”, “**we**” or “**the Group**”), I present to you the annual report and audited financial statements of the Group for the financial year ended 29 February 2024 (“**FY2024**”).



*The Cornwall Hotel & SPA*

## ECONOMIC AND BUSINESS OVERVIEW

The Malaysian economy continued its growth trajectory, expanding by 3.7% in 2023, following a robust growth of 8.7% in the preceding year, 2022. Despite confronting a challenging environment characterised by slower global trends, the global tech downcycle, geopolitical tensions and tighter monetary policies, growth underwent moderation. Nevertheless, it found support primarily in the recovery of economic activity and labour market conditions<sup>1</sup>. However, the fragility of global macroeconomic variables continued with supply chain disruptions, inflation and monetary tightening during the same period. The ongoing geopolitical conflicts also significantly impacted global economies.

Amidst the challenging business environment, our commitment to sustaining the Group's operations remains steadfast and our Group remains resolute in its dedication to delivering value to stakeholders. We are unwavering in our commitment to harnessing our core strengths to enhance the financial and operational performances of the Group.

As such, I am pleased to inform that the Group has performed commendably for the financial year ended 2024.

## FINANCIAL PERFORMANCE

In the financial year under review, the Group reported a revenue of RM453.6 million, marking a substantial 19.0% increase over the preceding financial year's revenue of RM381.3 million. This notable improvement was mainly attributed to the increase in orders received from customers in the Automotive segment and the revenue reported from Belle Isle Hotels (Cornwall) Management Limited (“**BIM**”) following the completion of acquisition on 3 April 2023 in the property and hospitality segment.

However, the Group reported a profit before tax of RM33.4 million for FY2024, slightly lower than the corresponding financial year's profit before tax of RM33.5 million. This slight decline in financial performance was mainly attributed to lower other income and higher expenses relating to employee benefits.

## DIVIDEND

In line with the Group's commitment to reward our shareholders, the Board declared a total dividend of 10 sen per share for FY2024. This translates to a dividend yield of approximately 3.6% based on the closing share price of RM2.74 on 29 February 2024.

## Chairman's Statement

(Cont'd)

### CORPORATE DEVELOPMENTS

On 20 October 2022, on behalf of the Board of Directors of the Company, Affin Hwang Investment Bank Berhad announced that Atlan had entered into three conditional agreements (“Acquisitions”) with Belle Isle Property (“BIP”) for the purchase of The Cornwall Hotel Spa & Estate (“Property”) located in the United Kingdom as well as the purchase of all BIP’s existing assets and liabilities which related to the Property’s operation and with Mark Trevor Rudrum for the acquisition of the entire share capital of BIM. On 3 April 2023, the Acquisitions were completed and BIM became a wholly-owned subsidiary of Atlan and the owner of the Property together with the existing assets and liabilities relating to the Property’s operations.

### OUTLOOK

The Malaysian economy is projected to grow between 4.0% and 5.0% in 2024, supported by resilient domestic demand and improvement in external demand. Domestic monetary conditions are favorable for financial intermediation, with credit supply backed by willing financial institutions and improving economic conditions. Bank Negara Malaysia maintains a forward-looking monetary policy focused on growth and inflation through active engagement with government-linked entities to promote repatriation of foreign investment income, boosting market interest in the currency. Hence, financial markets foresee further appreciation of the ringgit in 2024 and beyond, with continued strengthening anticipated into 2025<sup>2</sup>. However, risks to growth remain tilted to the downside given ongoing external challenges.

In view of the aforementioned, the Group anticipates that the business environment in which it operates will remain challenging, hence, our Group’s focus on strategic planning, resource allocation and cost optimisation to ensure the business sustainability and continuity. With these measures in place, we are cautiously optimistic that our operations and financial performance will remain positive for the financial year ending 28 February 2025. Accordingly, we will continue to uphold our strong financial position to navigate through the unpredictable business

environment effectively. As at 29 February 2024, our balance sheet remains strong and robust, with the Group’s net assets of RM507.5 million and cash and bank balances of RM238.6 million. Accordingly, the Group is well-equipped to pursue and leverage potential synergistic business prospects to bring greater value to our shareholders.

### APPRECIATION

First and foremost, I would like to convey our sincere appreciation and gratitude to Government, our customers, suppliers and business partners for their collaboration and support in the Group throughout the financial year. I also extend my deepest gratitude to the existing Board, Management team and all employees for their invaluable support and insightful contributions, which have played a crucial role in the success of our Group. I firmly believe that our people are our most valuable assets that play a vital role in ensuring the Group’s prosperity.

Last but not least, our heartfelt thanks go to our shareholders for their unwavering support, confidence, and trust, serves as the cornerstone of our achievements. Our Group remains steadfast in its dedication to generating sustainable, long-term value and cultivating positive impacts for our customers, employees, and communities. We are committed to persistently pursuing our strategic objectives with unwavering determination, continually striving to surpass the expectations of our stakeholders through relentless effort and steadfast commitment.

I remain your humble and obedient servant and pledge to continue my dedication and diligence to the Atlan Group.

Thank you.

Wassalamualaikum Warahmatullahi Wabarakatuh

**Adam Sani Abdullah**

Executive Chairman of Atlan Holdings Bhd

13 June 2024

Source:

<sup>1</sup> *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023*  
[https://www.bnm.gov.my/-/qb23q4\\_en\\_pr](https://www.bnm.gov.my/-/qb23q4_en_pr)

<sup>2</sup> *Bank Negara Malaysia – Economic and Monetary Review 2023*  
[https://www.bnm.gov.my/documents/20124/12141961/emr2023\\_en\\_ch0c.pdf](https://www.bnm.gov.my/documents/20124/12141961/emr2023_en_ch0c.pdf)

## Penyata Pengerusi

Bismillahirrahmanirrahim  
Assalamualaikum  
Warahmatullahi  
Wabarakatuh

Bagi pihak Lembaga Pengarah (“Lembaga”) Atlan Holdings Bhd (“Atlan”, “kami” atau “Kumpulan”), saya dengan sukacitanya membentangkan laporan tahunan dan penyata kewangan beraudit bagi tahun kewangan berakhir 29 Februari 2024 (“tahun kewangan 2024”).



*Duty Free outlet at Pantai Cenang, Langkawi*

### TINJAUAN EKONOMI DAN PERNIAGAAN

Ekonomi Malaysia meneruskan trajektori pertumbuhannya, dengan berkembang sebanyak 3.7% pada tahun 2023, berikutan pertumbuhan kukuh sebanyak 8.7% pada tahun sebelumnya, iaitu tahun 2022. Pertumbuhan ekonomi mengalami kesederhanaan berikutan dengan persekitaran yang mencabar yang disebabkan oleh arah aliran global yang lebih perlahan, kitaran teknologi global yang menurun, ketegangan geopolitik dan dasar-dasar kewangan yang lebih ketat. Walaupun begitu, ia mendapat sokongan terutamanya dalam pemulihan aktiviti ekonomi dan keadaan pasaran buruh<sup>1</sup>. Namun begitu, kerapuhan unsur-unsur makroekonomi global berterusan dengan gangguan rantaian bekalan, inflasi dan pengetatan dasar kewangan, dalam tempoh yang sama. Konflik geopolitik yang berterusan ini juga memberi kesan ketara kepada ekonomi global.

Di tengah-tengah persekitaran perniagaan yang mencabar ini, komitmen kami untuk mengekalkan operasi Kumpulan kekal utuh dan Kumpulan kami kekal teguh dan berdedikasi dalam memberi

nilai kepada pihak berkepentingan. Kami sangat komited untuk memanfaatkan kekuatan teras kami bagi meningkatkan prestasi kewangan dan operasi Kumpulan.

Oleh itu, saya dengan sukacitanya memaklumkan bahawa Kumpulan telah memperolehi pencapaian yang membanggakan bagi tahun kewangan 2024.

### PRESTASI KEWANGAN

Di dalam tahun kewangan 2024, Kumpulan telah mencatatkan perolehan sebanyak RM453.6 juta, menunjukkan peningkatan yang ketara iaitu 19.0% berbanding dengan perolehan yang dicatatkan pada tahun kewangan sebelumnya sebanyak RM381.3 juta. Peningkatan ketara ini adalah disebabkan terutamanya oleh penambahan tempahan yang diterima dari pelanggan bagi segmen Automotif dan perolehan yang dicatatkan oleh Belle Isle Hotels (Cornwall) Management Limited (“BIM”) berikutan dengan selesainya pengambilalihan pada 3 April 2023 di dalam segmen hartanah dan hospitaliti.

## Penyata Pengerusi

(Samb.)

Walaubagaimanapun, Kumpulan telah merekodkan keuntungan sebelum cukai sebanyak RM33.4 juta untuk tahun kewangan 2024, sedikit menurun berbanding dengan keuntungan sebelum cukai untuk tahun sebelumnya, iaitu RM33.5 juta. Penurunan kecil di dalam prestasi kewangan ini adalah disebabkan oleh pengurangan pendapatan lain dan penambahan perbelanjaan berkaitan dengan manfaat pekerja.

### DIVIDEN

Selaras dengan komitmen Kumpulan dalam memberikan ganjaran kepada pemegang saham kami, Lembaga telah mengisytiharkan dividen sebanyak 10 sen setiap saham bagi tahun kewangan 2024. Ini diterjemahkan kepada hasil dividen kira-kira 3.6% berdasarkan harga penutupan saham iaitu RM2.74 pada 29 Februari 2024.

### PEMBANGUNAN KORPORAT

Pada 20 October 2022, Affin Hwang Investment Bank Berhad, yang bertindak bagi pihak Lembaga Pengarah Syarikat, telah mengumumkan bahawa Atlan telah memeterai tiga perjanjian bersyarat ("Pengambilalihan") dengan Belle Isle Property ("BIP") untuk membeli The Cornwall Hotel Spa and Estate ("Hartanah") yang terletak di United Kingdom dan juga membeli kesemua aset dan liabiliti BIP yang berkaitan dengan operasi hartanah tersebut, dan perjanjian dengan Mark Trevor Rudrum untuk mengambil alih kesemua modal saham BIM. Pada 3 April 2023, pengambilalihan ini telah berjaya disempurnakan dan BIM telah menjadi anak syarikat penuh Atlan dan menjadi tuan punya hartanah tersebut beserta dengan aset dan liabiliti yang berkaitan dengan operasi hartanah.

### PANDANGAN DAN HARAPAN

Ekonomi Malaysia diunjurkan berkembang antara 4.0% ke 5.0% pada tahun 2024, disokong oleh permintaan di dalam negara yang kukuh dan peningkatan permintaan dari luar negara. Keadaan dasar kewangan negara juga berada di kedudukan yang baik bagi pengantara kewangan, dengan bekalan kredit disokong oleh kebersediaan institusi-institusi kewangan, yang sekali gus memulihkan keadaan ekonomi. Bank Negara Malaysia mengekalkan dasar kewangan berpandangan jauh yang memfokuskan kepada pertumbuhan dan inflasi melalui penglibatan aktif dengan entiti yang berkaitan dengan kerajaan untuk mempromosikan penghantaran pulang pendapatan pelaburan asing dengan meningkatkan minat pasaran terhadap mata wang tersebut. Justeru, pasaran kewangan menjangkakan nilai ringgit akan terus meningkat di dalam tahun 2024 dan tahun-tahun seterusnya, dengan pengukuhan berterusan dijangkakan sehingga tahun 2025<sup>2</sup>. Walaubagaimanapun, risiko pertumbuhan masih cenderung mengalami kelembapan berikutan dengan cabaran-cabaran dari luar yang masih berterusan.

Oleh sebab itu, Kumpulan menjangkakan persekitaran perniagaan yang kami beroperasi ini masih kekal mencabar, jadi fokus Kumpulan adalah kepada perancangan strategik, peruntukan sumber dan pengoptimuman kos bagi memastikan kelestarian dan kesinambungan perniagaan. Dengan langkah-langkah yang diambil ini, kami optimis bahawa operasi dan prestasi kewangan kami kekal positif bagi tahun kewangan berakhir 28 Februari 2025. Selaras dengan itu, kami akan terus mengekalkan kedudukan kewangan yang kukuh bagi mengharungi persekitaran perniagaan yang tidak menentu ini dengan lebih berkesan. Setakat 29 Februari 2024, kunci kira-kira kami kekal kukuh, dengan aset bersih Kumpulan sebanyak RM507.5 juta dan baki tunai serta baki bank sebanyak RM238.6 juta. Dengan demikian, kami bersedia untuk meneroka dan memanfaatkan peluang perniagaan yang bersinergi yang berpotensi, bagi memberikan nilai yang lebih besar kepada para pemegang saham kami.

## Penyata Pengerusi

(Samb.)

### PENGHARGAAN

Pertamanya, saya ingin mengucapkan penghargaan kepada pihak Kerajaan, para pelanggan kami, pembekal dan rakan niaga di atas kerjasama dan sokongan yang diberikan kepada Kumpulan selama ini. Saya juga ingin mengucapkan berbilang terima kasih kepada ahli Lembaga, pihak Pengurusan dan semua kakitangan di atas sokongan dan sumbangan yang tidak berbelah bagi, yang mana telah memainkan peranan yang penting bagi kejayaan Kumpulan. Saya yakin bahawa pekerja-pekerja kami adalah merupakan aset yang paling bernilai yang memainkan peranan penting dalam memastikan kemakmuran Kumpulan Atlan.

Akhir sekali, kami ingin mengucapkan ribuan terima kasih kepada para pemegang saham kami, di atas sokongan yang tidak berbelah bagi, keyakinan dan kepercayaan yang menjadi tunggak kejayaan kami. Kumpulan kami tetap teguh dan berdedikasi dalam mencapai nilai

jangka panjang yang mampan dan menyemai impak positif kepada para pelanggan, kakitangan dan komuniti. Kami komited untuk terus berusaha mencapai matlamat dan objektif strategik kami, dan berusaha melangkaui jangkauan semua pihak berkepentingan kami melalui usaha yang berterusan dan komitmen yang teguh.

Saya dengan rendah diri berjanji untuk sedia berkhidmat meneruskan komitmen, dedikasi dan usaha saya untuk Kumpulan Atlan.

Terima kasih.

Wassalamualaikum Warahmatullahi Wabarakatuh

**Adam Sani Abdullah**

Pengerusi Eksekutif Atlan Holdings Bhd  
13 Jun 2024



Retail Outlet at Senai International Airport, Johor Bahru

Sumber:

<sup>1</sup> *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023*  
[https://www.bnm.gov.my/-/qb23q4\\_en\\_pr](https://www.bnm.gov.my/-/qb23q4_en_pr)

<sup>2</sup> *Bank Negara Malaysia – Economic and Monetary Review 2023*  
[https://www.bnm.gov.my/documents/20124/12141961/emr2023\\_en\\_ch0c.pdf](https://www.bnm.gov.my/documents/20124/12141961/emr2023_en_ch0c.pdf)

# 董事主席献词



UIG Pegoh Plant 2, Melaka

我很荣幸代表董事会，提呈益联控股有限公司（“益联”或“我们”或“集团”）截至2024年2月29日（“2024财政年”）的年度报告和已审核财务报表。

## 经济与商业展望

马来西亚经济延续了其增长轨迹，在2023年继续增长了3.7%，紧随着2022年8.7%的强劲增长。尽管面临着全球趋势放缓、全球科技周期性下行、政治紧张局势和货币政策收紧等挑战，经济仍稳健增长中。这主要是源自于经济活动和劳动力市场的复苏<sup>1</sup>。然而，全球宏观经济继续受到供应链中断、通货膨胀和货币紧缩的影响。持续性的政治冲突也极大地影响了全球经济。

在充满挑战的商业环境中，我们对维持集团运营的承诺依然坚定不移，我们也依然坚决致力于为股东创造价值。我们仍坚定不移地运用我们的核心优势来提升集团的财务和运营表现。

因此，我很荣幸地宣布，集团在2024财政年表现出色。

## 财务绩效

益联在2024财政年的营业额为4亿5千360万令吉，相较于去年的3亿8千130万令吉，大幅增长了19.0%。这显著的增长主要是源自于集团的汽车零部件制造业务领域的订单增加以及集团的房地产和酒店领域于2024年4月3日完成了收购后，Belle Isle Hotels (Cornwall) Management Limited ("BIM") 所贡献的营业收入。

然而，益联于2024年2月29日所报的税前盈利为3千340万令吉，略低于2023年2月28日所报的税前盈利3千350万令吉。集团的财务表现轻微下滑主要源自于其他收入的减少和员工福利相关支出的增加。

## 股息

益联一向来承诺回报股东们，董事局宣布于2024财政年总派发每股10仙股息。股息收益相等于截至2024年2月29日闭市价每股2.74令吉的3.6%。

## 董事主席献词

(继续)

### 企业发展

于2023年10月22日，Affin Hwang Investment Bank Berhad代表集团的董事会宣布集团已与 Belle Isle Property (“BIP”) 签订了三项有条件协议 (“收购”)，以购买位于英国的 The Cornwall Hotel Spa & Estate (“物业”)，和购买与该物业运营相关的BIP所有现有资产和负债以及与Mark Trevor Rudrum签订协议，收购 BIM 的全部资本。有关收购于2024年4月3日完成，BIM成为集团的全资子公司，以及物业连同与该物业运营相关的现有资产和负债的拥有者。

### 展望与前景

马来西亚经济预计在2024年增长4.0%至5.0%，这是得益于国内需求的支持和外部需求的改善。国内货币环境对金融中介是有利的，受惠于金融机构愿意提供信贷供应的支持和经济情况的改善。马来西亚中央银行通过积极与政府相关机构合作，保持着以增长和通胀为中心的前瞻性货币政策，以促进外国投资收益的回路，提振市场对该货币的兴趣。因此，金融市场预计马来西亚令吉在2024年会进一步升值，并将持续到2025年<sup>2</sup>。然而，由于持续的外在因素挑战，经济增长仍然存在风险。

鉴于上述情况，集团预计其业务所处的环境仍会具有挑战性，因此，集团将专注于战略规划、资源分配和进一步的成本优化，以确保业务的可持续性和连续性。在采取这些措施的同时，我们谨慎乐观地认为2025年2月28日的财政年度，我们的经营和财务表现将保持积极乐观。因此，我们将继续维护我们强劲的财

务状况，以有效地应对不确定的商业环境。截至2024年2月29日，集团的净资产为5亿750万令吉，现金和银行结余2亿3千860万令吉。因此，集团会探索和利用潜在的协同业务机会，为我们的股东带来更大的价值。

### 致谢

首先，本人衷心感谢政府、所有的客户、供应商和业务伙伴，于本财政年度给予本集团的合作与支持。我也要衷心感谢现有的董事会、公司管理层和所有员工对本集团的无私支持和奉献，在我们集团取得成功的过程中扮演着重要的角色。我坚信我们的员工是我们最宝贵的资产，他们在确保集团繁荣中发挥着至关重要的作用。

最后，我们要向股东表达真诚的感激，他们的不懈支持、信心和信任是集团取得成功的基石。集团仍然坚定地致力于创造可持续的长期价值，并在客户、员工和我们经营的社区中产生积极影响。我们将继续不懈地努力实现我们的战略目标，并努力超越大家的期望。

我仍然是你谦卑和顺从的仆人，并保证继续为益联集团奉献和奋斗。

谢谢。

**Adam Sani Abdullah**

益联集团董事主席

2024年6月13日

### 资源:

<sup>1</sup> *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023*  
[https://www.bnm.gov.my/-/qb23q4\\_en\\_pr](https://www.bnm.gov.my/-/qb23q4_en_pr)

<sup>2</sup> *Bank Negara Malaysia – Economic and Monetary Review 2023*  
[https://www.bnm.gov.my/documents/20124/12141961/emr2023\\_en\\_ch0c.pdf](https://www.bnm.gov.my/documents/20124/12141961/emr2023_en_ch0c.pdf)

# Management Discussion & Analysis

## BUSINESS OVERVIEW

Atlan Holdings Bhd (“Atlan”, “we” or the “Group”) is an investment holding company primarily involved in trading of duty free goods, dutiable and non-dutiable merchandise (“Duty Free”), auto-components manufacturing (“Automotive”) and property investment & hospitality (“Property and Hospitality”).

Established in 1988 as a private limited company, Atlan was involved in the precision metal stamping business then, based in Penang. The Group was listed on the Second Board of Bursa Malaysia Securities Berhad in 1996 and subsequently transferred to the Main Market in 2009.

For the financial year ended 29 February 2024 (“FY2024”), the Automotive segment was the key contributor to the Group’s revenue, having accounted for 57.7%, followed by the Duty Free segment, Property and Hospitality and investment holding and others, which constituted 34.6%, 6.8% and 0.9% of the Group’s revenue, respectively.

### Duty Free

The Duty Free segment of the Group is undertaken by Duty Free International Limited (“DFIL”) and its Group of subsidiaries. DFIL, listed on the Mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”), is the leading duty free retailer in Malaysia with an operating history of over 40 years.

DFIL operates under the brand name of “ZON” and is Malaysia’s largest multichannel duty free and duty-paid retailing brand that serves Malaysians and international customers across all primary entry and exit points in Peninsular Malaysia.

### Automotive

The Group operates its auto-components manufacturing segment via United Industries Holdings Sdn. Bhd. (“UI”) and its Group of subsidiaries (“UI Group”) have more than 50 years of experience producing and supplying quality automotive components to Malaysia’s original equipment manufacturers.

We are currently one of the market leaders in manufacturing metallic tubes, fuel filler neck, fuel tank modules, metal stamping parts, and sub-assembly of instrument panels in Malaysia’s automotive industry.

### Property And Hospitality

Atlan owns two properties strategically located in the heart of Kuala Lumpur city: Menara Atlan and a serviced apartment. Menara Atlan is managed by the Group’s property arm, while the Group’s hospitality arm operates a serviced apartment called “The Zon All Suites Residences on the Park” (“Zon Hotel”). The Zon Hotel has temporary ceased operations with effect from 30 June 2020.

Atlan has expanded its presence in the hospitality sector in the United Kingdom with the acquisition of Belle Isle Hotels (Cornwall) Management Limited (“BIM”), a 4-star-full-service hotel featuring spa and leisure facilities.

## Management Discussion & Analysis

(Cont'd)

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### FINANCIAL PERFORMANCE

Atlan has reported financial performance for FY2024 that was largely unchanged from the financial year ended 28 February 2023 (“FY2023”), while still maintaining a strong financial position. The Group reported RM453.6 million of revenue in FY2024, representing a notable increase of 19.0% compared to RM381.3 million in the FY2023. However, despite the increase in revenue, both the Group’s profit before tax (“PBT”) and profit after tax (“PAT”) experience a slight decline from RM33.5 million and RM27.3 million in FY2023 to RM33.4 million and RM25.3 million, respectively in FY2024.

The Group’s Duty Free segment reported revenue of RM156.8 million, representing a marginal increase of 4.1% compared to the previous financial year’s revenue of RM150.6 million. This improved revenue generated was mainly due to all of the Group’s retail outlets were in operations during 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 onwards in the previous financial year. In the current financial year under review, the Duty Free segment reported a PBT of RM19.4 million, a slight decrease from the corresponding financial year’s PBT of RM19.7 million. The slight decrease in the PBT primarily resulted from the lower other operating income and higher employee benefit expenses incurred despite the increase in the revenue.

Our Automotive segment registered revenue and PBT of RM261.7 million and RM27.1 million respectively compared to the corresponding financial year’s revenue of RM219.9 million and PBT of RM24.0 million respectively. Higher revenue and profit were reported in current financial year under review mainly attributed by higher orders received from customers.

Our Property and Hospitality segment posted revenue and loss before tax (“LBT”) of RM31.0 million and RM1.9 million respectively compared to the corresponding year’s revenue of RM8.6 million and LBT of RM0.4 million. The increase in revenue for FY2024 was primarily contributed by the revenue reported from BIM following the completion of acquisition on 3 April 2023. However, the positive effect was partially offset by the lower revenue reported by the Property sector in Malaysia due to low occupancy rate. Consequently, the LBT of RM1.9 million in FY2024 was primarily due to the reduced revenue from this sector. Our investment holding segment reported revenue and PBT of RM4.0 million and RM6.9 million respectively compared to the previous financial year’s revenue of RM2.1 million and RM5.1 million. Higher revenue and PBT registered in FY2024 were due to higher interest income earned as compared to FY2023.

As of 29 February 2024, the Group’s financial position remained robust with a healthy cash and cash equivalents balance of RM228.3 million (28 February 2023: RM194.1 million) and a net cash position of RM158.0 million (28 February 2023: RM169.6 million), bringing the Group’s net cash per share to RM0.62 (28 February 2023: RM0.67). Accordingly, the Group is well-positioned to explore and capitalise on potential synergistic business opportunities to bring greater value to our shareholders.

The Group’s total capital commitments, approved, contracted for and not contracted for, as of 29 February 2024, was RM18.8 million (28 February 2023: RM19.6 million).

### DIVIDEND

In recognition of our shareholders’ continuous support, the Board had declared and paid out a single tier interim dividend of 10 sen per share during FY2024. This amounted to a total dividend of 10 sen per share for FY2024, translating to a dividend yield of 3.6% based on the closing share price of RM2.74 on 29 February 2024.

## Management Discussion & Analysis

(Cont'd)

### BUSINESS RISKS

Atlan remains cognisant of several businesses, financial and operational risks that may impact its operations. Hence, the Group adopted various adequate measures to manage and mitigate these risks to maximise output and provide added values to our shareholders and stakeholders alike.

#### Duty Free

The Group's Duty Free segment is subjected to regulatory risks. Its nature requires several licences, namely duty free shop licence, wholesale dealer's licence, bonded warehouse licence, and import licences to be renewed regularly. The segment is also exposed to other regulatory risks where its operational framework may change over time depending on various relevant authorities. Nonetheless, the Group continues to mitigate these risks by working closely with the authorities to ensure its business operations are constantly in compliance with the applicable laws and regulations and adapt to new rules and regulations as and when they are implemented.

The Duty Free segment is also subjected to transactional currency exposures arising from purchases denominated in currencies other than the functional currency of the operations they relate to, primarily the United States, Australian and Singapore dollars. Approximately 29% (FY2023: 54%) of the Duty Free segment's purchases were denominated in foreign currencies. Foreign currency exposures in transactional currencies other than the operating entities' functional currencies are kept to an acceptable level via constant monitoring of foreign currency fluctuations and hedging policies implemented within the Duty Free Group.

#### Automotive

The Group's Automotive segment face challenges due to trade uncertainties, increasing raw material costs, and the emergence of new technologies that could potentially threaten the Group's market share. To counter these challenges, the Automotive segment is committed to taking proactive measures such as continuously reviewing and improving product quality, safety, and manufacturing efficiency. Moreover, the Automotive segment aims to broaden the scope of raw material suppliers, enhance its purchasing processes, and invest in technology innovations to mitigate risks and remain competitive in the market.

#### Property And Hospitality

Currently, there is an oversupply of office and residential properties in Malaysia, leading to a glut in the property market. As a result, the property sector is facing significant pressure, particularly in tenancy performance and rental levels. Despite sluggish demand, the incoming supply of properties continues to rise, exacerbating the situation. The property market is expected to take some time to reach a new equilibrium as demand struggles to keep pace with the uncertain economic conditions of the present time. Notwithstanding that, the Group strives to overcome obstacles by providing better amenities and appealing rents to cater to the current market conditions.

The hospitality industry has faced some challenges due to the rise of alternative tourism accommodations like Airbnb, which has increased competition within the industry. Moreover, the costs of maintaining aging buildings are expected to rise with time. The hospitality segment is closely linked to the tourism industry, and therefore, any changes in the tourism industry can significantly impact the hospitality segment. Despite these challenges, the Group remains committed to taking pre-emptive measures such as cost optimisation and effective marketing to remain competitive and thrive throughout the challenging period.



## Management Discussion & Analysis

(Cont'd)

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### BUSINESS STRATEGY

To ensure that the business remains sustainable and continues to operate smoothly, the Group is holding onto its healthy reserves to weather the current challenging business environment. The Group constantly reviews, adjusts, and adapts its cost-cutting and containment measures, such as deferring discretionary expenses and non-critical capital expenditures.

Moreover, besides taking prudent financial measures, the Group is actively seeking potential acquisition targets that can bring synergies to its value chain.

#### Duty Free

The Duty Free segment is projected to experience a rebound in its business environment in 2024 and 2025, driven by the further recovery in tourism activities. However, the global economy is still fraught with uncertainties, which are compounded by ongoing geopolitical conflicts and the continued presence of global headwinds.

Despite the challenging outlook, our core emphasis has not changed. We remain focused on delivering quality and value to our customers. Our mission is to expand our presence within Malaysia's duty free market and duty-paid market.

Below are the 5 crucial success elements of our company: -

- I. Increase operational efficiencies;
- II. Cost-effectiveness in the supply chain;
- III. Efficiency in logistics management of products;
- IV. Enhancement of retail outlets; and
- V. Increase in product assortments.

Our strategic plan for the current year entails maintaining our focus on cost optimisation, which has been instrumental in keeping the Duty Free segment relatively stable. To achieve this, we will continue to implement cost containment measures that involve recalibrating operational efficiencies by rebasing costs and prioritising capital expenditure to preserve cash reserves, ensuring that the Group can fulfil its financial and operational obligations. Furthermore, we will pursue opportunities to expand our range of assortments and negotiate with vendors for merchandise at competitive prices.

#### Automotive

The Group's Automotive segment remains committed to exploring avenues for expanding its product lines, while also actively pursuing new technical collaborations to gain access to transformative innovations. This is crucial to remain competitive in the technology-driven automotive industry. Simultaneously, the segment will enact cost-containment measures, including a thorough plan to streamline operations for efficiency. These efforts will be bolstered by a skilled workforce that can effectively navigate the challenges accompanying the segment's growth and evolution.

#### Property And Hospitality

Atlan's property, strategically located in Kuala Lumpur, requires affordable rates to remain competitive in an oversupplied industry with a surplus of office and residential properties.

The Group is committed to leveraging its competitive strengths to attract new tenants/customers and increase rental yields through competitive rate strategies. Keeping that in mind, the Group remains committed to deliver high-quality services, consistently upgrade and refurbish the properties, and strengthen relationships with existing tenants.

As for the hospitality segment in United Kingdom, the Group remains its focus on the marketing promotional activities and ensuring competitive pricing in order to attract more customers. The Group is also dedicated to enhance the hotel's facilities to deliver an exceptional staying experience for our guests.

## Management Discussion & Analysis

(Cont'd)

### OUTLOOK & PROSPECTS

Looking ahead, the Malaysian economic outlook remains favourable, with Bank Negara Malaysia having projected the economy to grow between 4.0% and 5.0% in 2024 supported by resilient domestic demand and improvement in external demand. However, risks to growth remain tilted to the downside given ongoing external challenges<sup>1</sup>.

The Group is cautious about the outlook for FY2025, given the fragility of the economic recovery, which depends on various essential and changeable factors. These factors include containing inflation, implementing effective cost control measures, and the government's supportive fiscal policy for businesses. In view of the above, the Group will ensure that cost control measures remain robust and will continue into the foreseeable future.

#### Duty Free

The Duty Free segment is expected to face challenges in the business environment in which it operates. However, barring unforeseen circumstances, the Group is cautiously optimistic that it will continue to perform well financially and operationally, given its strong fundamentals. The Group's focus remains firmly fixed on strategic planning, resource allocation, and cost optimisation to ensure it is well prepared for future challenges. The Group will continue to actively seek out excellent business opportunities to enhance the synergy of its existing businesses in the Duty Free segment.

#### Automotive

Malaysia Automotive Association ("MAA") reported that the Total Industry Volume ("TIV") had achieved a new sales record in the history of the local automotive industry by registering 799,731 units in 2023. It was a second consecutive year the annual TIV exceeded the 700,000 units' mark after two consecutive years in a row of declining sales due to Covid-19 pandemic crisis.

However, ongoing geopolitical tensions continue to contribute to the global economy's uncertainty. These challenges could result in lower new vehicle sales, despite the continued growth in demand and interest for electrified vehicles, bolstered by government support to promote their use. As such, MAA has forecasted a decline of approximately 8% in TIV to 740,000 units for 2024 as consumer spending power may slow down due to the aforementioned challenges.

Nevertheless, the Group's Automotive segment with its strong fundamentals, is prudently optimistic that it will be able to respond to the current challenging business environment positively barring any unforeseen circumstances.

#### Property and Hospitality

Downward pressure continues on the rental rates and occupancy levels in the oversupplied Klang Valley office market and the gap between supply and demand continues to widen amid weaker office demand and a shrinking pool of tenants. It is anticipated that more companies would experiment between working from an office, home, co-working, or managed space.

Nonetheless, the Group believes that our property strategic location gives us a competitive edge in a weak market and our property management strives to overcome obstacles by providing better amenities as well as appealing rents to cater to the current market conditions.

The rise of the alternative tourism accommodations like Airbnb had increased the competition within the hospitality industry at United Kingdom. The Group will continue on various innovative marketing campaigns and consistent improvement of our facilities to compete intensely with other players within the industry.

## Management Discussion & Analysis

(Cont'd)

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### CLOSING REMARK

The economy is perceived to remain challenging with uncertainties ahead, the Group will continue to maintain a cautious approach in conducting its business activities. Our commitment remains unwavering in enhancing operational efficiency and striving for excellence across all facets of our operations. As we move forward, we will continue to pursue possibilities and explore prospective partnerships and collaborations in order to expand our portfolio in the region, addressing challenges and delivering value to our stakeholders. As we are guided by the values of excellent corporate governance, entrepreneurial energy, and a dedication to sustainability initiatives to be integrated into all of our businesses, we will continue to build on the foundation of our achievements, allowing us to create stronger and more sustainable returns to shareholders over time.

Source:

<sup>1</sup> Bank Negara Malaysia – Economic and Monetary Review 2023  
[https://www.bnm.gov.my/documents/20124/12141961/emr2023\\_en\\_ch0c.pdf](https://www.bnm.gov.my/documents/20124/12141961/emr2023_en_ch0c.pdf)



*The Cornwall Hotel & SPA, Woodland Lodges*

# *Sustainability Statement*

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## About this Statement

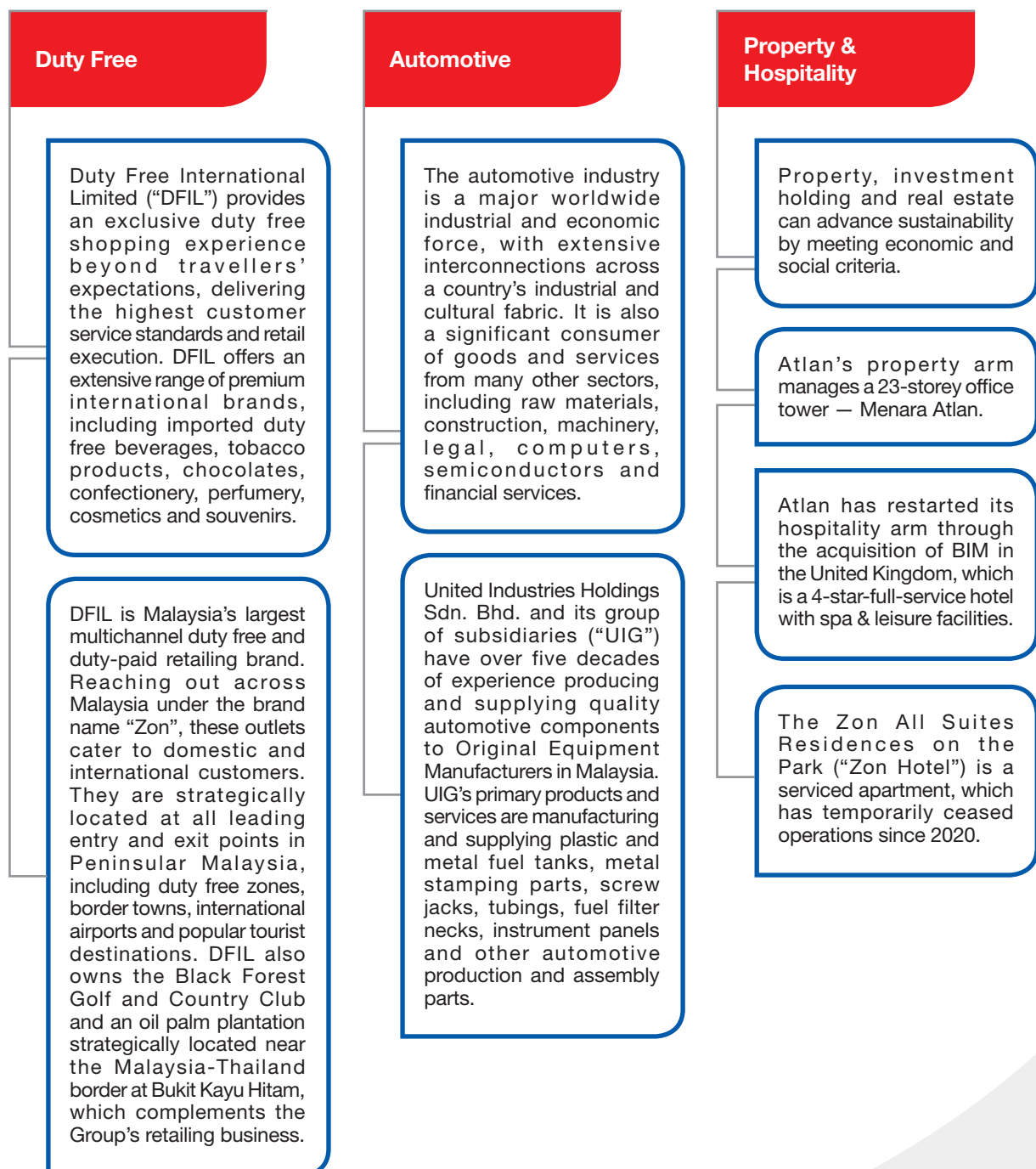
Welcome to Atlan’s Sustainability Statement 2024 (“Statement”). This Statement highlights our achievements and ongoing sustainability efforts, detailing our journey towards responsible business practices. It provides an update on the progress in pursuing environmental, social, and economic sustainability, underscoring the Group’s commitment to creating a positive impact.

References	<p>References to “Atlan”, “the Company”, “the Group”, “we”, “us”, and “our” all indicate Atlan Holdings Bhd.</p> <p>Atlan explicitly mentions specific initiatives related to a particular company for clarity and transparency.</p>
Reporting period	<p>Unless otherwise stated, this Annual Sustainability Statement presents information for the financial year ended 2024 (“FY2024”) from 1 March 2023 to 29 February 2024.</p>
Reporting scope and references	<p>This sustainability statement covers the entire Group’s sustainability, including all entities that Atlan has direct managerial control listed in the corporate structure on pages 2 to 3 of this Annual Report. However, the sustainability information and performance data do not include Belle Isle Hotels (Cornwall) Management Limited (“BIM”), as the acquisition of BIM was only completed in FY2024.</p> <p>Atlan is an investment holding company primarily involved in automotive components manufacturing (“Automotive”), the trading of duty free goods, dutiable and non-dutiable merchandise (“Duty Free”), and property investment &amp; hospitality (“Property and Hospitality”). As the operating environments of subsidiaries vary significantly, each respective division’s sustainability and materiality context may also differ. Subsidiaries will continue to report relevant sustainability issues relevant to them.</p> <p>For clarity and transparency, this statement will explicitly state any mention of specific initiatives related to a particular company.</p>
Reporting Framework	<ul style="list-style-type: none"> <li>• Global Reporting Initiative (GRI) Universal Standards</li> <li>• Bursa Malaysia Sustainability Reporting Guide, including the Enhanced Sustainability Listing Requirements</li> <li>• United Nations Sustainable Development Goals (“UNSDGs”)</li> <li>• Guidance on climate change-related information disclosure from the Task Force on Climate-Related Financial Disclosures (“TCFD”)</li> <li>• The International Organisation for Standardization (“ISO”) 26000:2010 Guidance on Social Responsibility</li> <li>• Other local and international sustainability indices, such as the FTSE4Good Bursa Malaysia Sustainability Index</li> </ul>
Reliability of information disclosed	<p>Internal auditors have thoroughly reviewed the accuracy of this statement. Before publication, the Board of Directors approved the content of this Statement, affirming its reliability and compliance with established standards.</p>
Feedback	<p>Atlan is fully committed to listening to stakeholders and welcomes feedback on its sustainability reporting and performance. Please direct all feedback and comments on this Statement and the Group’s sustainability journey to <a href="mailto:info@atlan.com.my">info@atlan.com.my</a>.</p>

## About Us

Atlan was incorporated in 1988 as a private limited company as Atlan Holdings Sdn Bhd. Atlan was listed on the Second Board of Bursa Malaysia Securities Berhad in 1996 and subsequently transferred to the Main Market in 2009.

Atlan's principal activities are investment holding and providing management, financial, technical, and other ancillary services. Its subsidiaries are involved in property investment, hospitality, auto-components manufacturing and the trading of duty free and non-dutiable merchandise.



# *Sustainability Governance*

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## **OUR JOURNEY TOWARDS HOLISTIC SUSTAINABILITY**

Atlan's operational scope encompasses many sectors, including Automotive, Duty Free, Property and Hospitality.

Each of these sectors presents diverse challenges and opportunities for sustainability. The Automotive sector requires us to innovate through energy-efficient operations, promote alternative fuels and invest in eco-friendly manufacturing processes. Meanwhile, Duty Free operations involve managing complex supply chains, minimising waste and reducing carbon emissions associated with transportation and logistics.

Our Property and Hospitality sector focuses on sustainable building practices, resource conservation, and enhancing the well-being of local communities. Initiatives include energy-efficient building designs, waste management strategies, and supporting local sourcing and employment opportunities.

Collaboration and engagement with stakeholders at every level characterise our journey towards holistic sustainability. Achieving meaningful progress requires alignment with various stakeholders' interests and concerns, including employees, customers, suppliers, local communities and investors.

Tailoring comprehensive sustainability strategies to each sector, guided by transparency, accountability, and continuous improvement principles, involves setting goals, measuring performance against key indicators and regularly communicating our progress to stakeholders.



## Sustainability Governance

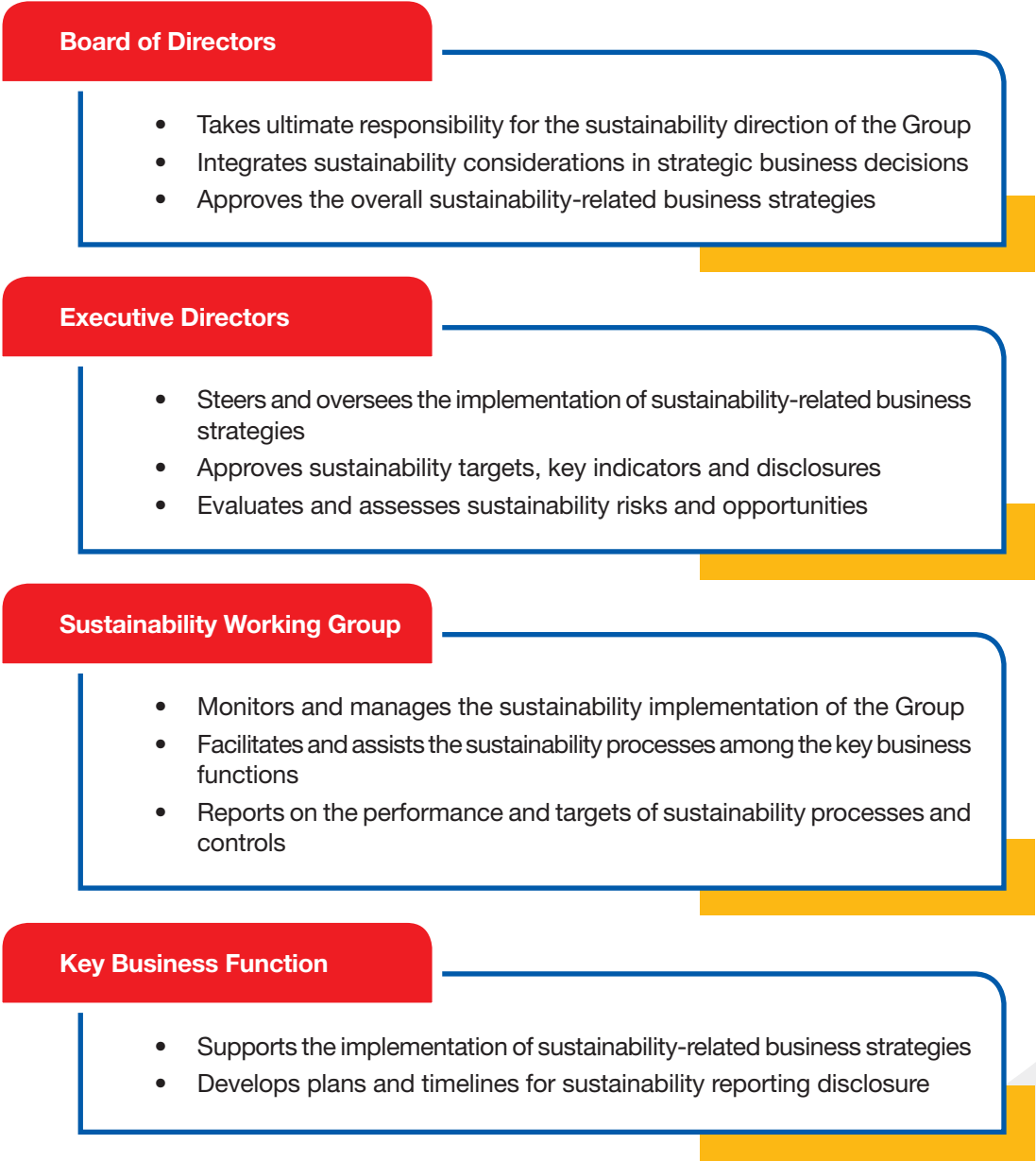
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### MANAGING SUSTAINABILITY

Our Board of Directors continues to carry out its responsibilities in determining, monitoring and managing the environmental, social and governance factors material for the Group, providing strategic direction, and overseeing the standards, management processes and strategies needed to achieve sustainability within the business.

The Executive Director steers the implementation of sustainability-related business strategies, supported by the Sustainability Working Group, which internalises sustainability practices. Various essential business functions support this committee by implementing these strategies at the Group level.

#### Atlan Sustainability Governance Structure









## Sustainability Governance

(Cont'd)

### SUSTAINABILITY STRATEGY

Despite these sector-specific intricacies, Atlan has strategically identified shared focus areas to achieve collective sustainability goals. This cohesive approach allows the company to navigate and address specific challenges within each sector while upholding an overarching commitment to sustainability across every facet of its operations. This comprehensive strategy underscores Atlan's dedication to holistic and responsible business practices.

The management reviews our focus areas, strategies and activities to ensure they align with the Group's focus areas and contributions to global goals. The United Nations Sustainable Development Goals ("UNSDGs") encompass 17 objectives addressing pressing issues. However, we prioritise goals that are most relevant to the business, where we can potentially create a significant impact. This strategic approach ensures our initiatives are purposeful and impactful, aligned with broader global sustainability objectives.

Sustainability Pillars	Focus Areas	Our Commitment	Priority Areas	Relevant UNSDGs
<b>Economic</b>	Responding to customers' needs	Our primary focus addresses customer needs, a strategic approach that drives economic growth and generates stakeholder value. Consistently creating and distributing economic value demonstrates our dedication to fostering profitable growth through a commitment to performance excellence.	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Anti-corruption</li> <li>Nation-building and industry advancement</li> <li>Procurement practices</li> </ul>	  
<b>Environmental</b>	Developing innovative solutions that reduce environmental footprint and operational costs	Conducting environmentally-conscious business minimises our environmental impact, addresses global environmental challenges, and reduces operational costs through efficient resource utilisation.	<ul style="list-style-type: none"> <li>Energy efficiency and carbon reduction</li> <li>Water and waste management</li> </ul>	   

Sustainability Governance

(Cont'd)

**SUSTAINABILITY STRATEGY (CONT'D)**

Sustainability Pillars	Focus Areas	Our Commitment	Priority Areas	Relevant UNSDGs
<b>Social</b>	<p>Building strong communities through development and engagement activities that have a positive social and economic impact at the local level</p> <p>Maintaining a culture that attracts and retains the best talent</p>	<p>We foster growth within our workforce and community and positively impact people's lives.</p>	<ul style="list-style-type: none"> <li>Employee wellness, engagement and satisfaction</li> <li>Talent management</li> <li>Occupational safety and health</li> <li>Customer satisfaction</li> <li>Ensuring quality excellence</li> <li>Employee benefits</li> </ul>	

**ETHICS AND INTEGRITY**

Atlan prioritises ethics and integrity, which are fundamental to the business ethos. We firmly oppose bribery and corruption, upholding a transparent and honest approach in all operations. An unwavering commitment to maintaining the highest ethical standards fosters a culture of trust, accountability and responsible business conduct.

The Group's Anti-Bribery and Anti-Corruption Policy & Guidelines seamlessly adhere to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). This all-encompassing framework covers crucial measures and guidance for risk assessment, legal compliance and reporting concerns. Atlan's Code of Conduct lists our ethical expectations for employees, which are also integral to induction training for newly employed personnel. This approach ensures that our team is well-versed and committed to upholding ethical standards from the beginning with the organisation.

On 4 and 8 January 2024, Atlan delivered comprehensive anti-bribery and corruption awareness training for staff and directors. This reminder session equipped participants with knowledge and strategies to recognise, prevent and address bribery and corruption.

**Whistleblowing**

Atlan is committed to fostering a culture of transparency and ethical conduct. Our dedicated whistleblower channel empowers employees to report concerns regarding behaviour conflicting with the Group's values and governing documents. Employees can confidentially raise genuine concerns or provide information concerning unethical or improper activities to their immediate superior, Audit and Risk Management Committee, Head of Internal Audit, Chairman of the Board or Executive Director.

Employees can freely express their genuine concerns or share information about potential unethical or improper activities anonymously without fear of reprisal. This assurance of confidentiality encourages open communication, fostering a climate where employees feel empowered to speak up and contribute to a culture of accountability and ethical behaviour.

## Sustainability Governance

(Cont'd)

### ETHICS AND INTEGRITY (CONT'D)

#### Sustainability Target

Atlan is currently in the process of establishing baseline measurements and relevant targets. The Group is committed to monitoring performance against these targets and implementing initiatives to achieve them.

Pillar	Focus Area	Target	Current Status
<b>Economic</b>	Whistleblowing cases	Maintain zero whistleblowing cases	On track
<b>Environmental</b>	Recycled waste	Replace conventional bags with biodegradable or recycled option in retail business by FY2027	In progress
	Water consumption (m <sup>3</sup> )	Reduce water intensity of 3% (using FY2024 as baseline) by FY2026	Ongoing monitoring
	Energy consumption (kWh)	Reduce energy intensity of 3% (using FY2024 as baseline) by FY2026  Exploring further opportunities for renewable energy sources	Ongoing monitoring
<b>Social</b>	Gender diversity	To increase the gender diversity ratio for female employees within the Group to 30%.  Given the nature of the Group's business operations, which involve tasks such as moving heavy trading merchandise and handling manufacturing processes within our premises, our workforce has a higher proportion of male employees.	On track
	Average training hours per employee	Average 5 to 8 hours per employee	On track
	Data privacy	Maintain zero breaches of customer information.	On track

## Sustainability Governance

(Cont'd)

## OUR NETWORK OF STAKEHOLDERS

Operating within diverse industries requires proactive engagement with various stakeholder groups. Acknowledging the importance of listening and responding to their needs, we devote significant efforts to identifying, collaborating and addressing their concerns. Stakeholder engagement is the cornerstone of our commitment to transparency and collaboration. Involving internal and external stakeholders in decision-making ensures their perspectives shape our strategies. This dialogue fosters trust, innovation, and shared value creation, contributing to sustainable business practices.

### Stakeholder Engagement Areas and Platforms

Stakeholder Group	Engagement Platforms	Frequency of Engagement	Areas of Concern
<b>Customers</b>	Direct visits	Regularly	Quality of products and services, product prices and promotions
	Corporate website	Regularly	
	Feedback forms	Regularly	
	Social media	Regularly	
	Loyalty programme	Regularly	
<b>Employees</b>	Annual performance review	Annually	Job-related training and development, work-life balance, employment benefits, performance appraisal and reward system
	Intranet portal	Regularly	
	Email communications	Regularly	
	Internal meetings	Regularly	
<b>Board of Directors</b>	Board meetings	Quarterly and annually	Regulatory compliance, economic performance, corporate governance and risk reviews
	Email communications	As required	
<b>Government</b>	Formal meetings	As required	Regulatory compliance, economic performance and societal welfare
	Dialogues	As required	
<b>Investors</b>	Media release	Quarterly	Regulatory compliance, economic performance, new Group developments, returns on investment and dividend distribution
	Investor relations roadshows	As required	
	Announcements	Quarterly/as required	
	Investor meetings	As required	
	Annual reports	Annually	
	Quarterly reports	Quarterly	
<b>Suppliers</b>	Meetings and dialogue sessions	As required	Product knowledge, events, partnerships, compliance and contract performance
	Email communications	Regularly	
	Trade fairs and events	Annually	
<b>Financiers</b>	Financial reports	Annually	Compliance with financiers' terms and conditions and economic performance
	Regular meetings	As required	

## Sustainability Governance

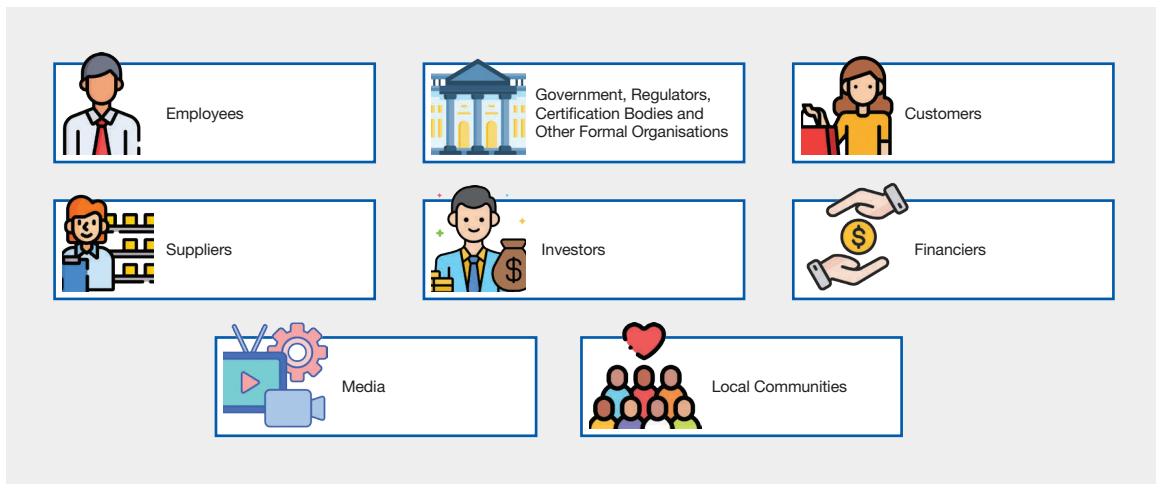
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### MATERIALITY MATTERS

Materiality serves as a cornerstone in shaping Atlan's sustainability initiatives. We meticulously evaluate and prioritise key issues, considering their impact on stakeholders and the business. Atlan conducted an extensive stakeholder engagement exercise to gather insights on the relative importance of specific economic, environmental, social and governance issues. This strategic approach ensures our efforts align with stakeholder expectations, fostering transparency and responsible business practices.

#### The Methodology

We commissioned an external consultant to conduct a comprehensive study of the most material aspects of our sustainability programme. Choosing an impartial, external party secured the anonymity of the respondents. We sought feedback from representatives of all major stakeholder groups:



The survey asked stakeholder representatives to:

- Rate the importance they placed on 18 areas of sustainability;
- Indicate each criterion's importance from a scale of 'very unimportant' (1) to 'very important' (5), selecting their level of agreement with (3) being neutral.

We noticed an inherent bias in the outcomes stemming from uneven representation among stakeholder groups. Computed average scores for each domain within every stakeholder group and division corrected the skew.

We extended a similar survey to our board of directors, whose views collectively represented Atlan as a Group.

We address the most significant topics in our materiality assessment, recognising their interconnectedness with our overall sustainability approach. Each material matter has been aligned with relevant UNSDGs, ensuring that our actions contribute to addressing broader societal challenges. This strategic alignment underscores our commitment to impactful sustainability practices that resonate within the organisation and on a larger societal scale.

Sustainability Governance

(Cont'd)

**MATERIALITY MATTERS (CONT'D)**

**The Methodology (Cont'd)**

**Summary of Material Sustainability Matters**

Materiality Matter	Our Commitment	Relevant UNSDGs
<b>Economic</b>		
<b>Corporate governance</b>	Managing business strategy and processes to build financial integrity, investor confidence and superior performance	 
<b>Economic performance</b>	Generating sustainable financial and economic returns and creating stakeholder value to safeguard the sustainability of Atlan's business	 
<b>Sustainable supply chain</b>	Encouraging local and sustainable procurement by promoting responsible business conduct among suppliers	
<b>Regulatory compliance</b>	Complying with all legal, economic, environmental and social legislation while supporting the national agenda	 
<b>Nation building &amp; industry advancement</b>	Contributing to advancing the nation by boosting economic growth and developing the automotive, retail, property and hospitality industries	   
<b>Sustainability &amp; risk management</b>	Advocating sustainability as a tool for managing the Company's risk exposure and minimising industry risks and unforeseen costs	

## MATERIALITY MATTERS (CONT'D)

### The Methodology (Cont'd)

#### Summary of Material Sustainability Matters (Cont'd)

Materiality Matter	Our Commitment	Relevant UNSDGs
<b>Environmental</b>		
<b>Energy &amp; carbon footprint</b>	Consuming energy efficiently and moving towards a more energy-efficient, renewable future	   
<b>Water management</b>	Using water efficiently and minimising water wastage	  
<b>Waste management</b>	Adopting proper handling of all types of waste, including automotive components and waste generated by our hotel and office building	    
<b>Social</b>		
<b>Employee wellness, engagement &amp; satisfaction</b>	Attracting and retaining employees by creating a great place to work by providing welfare and a healthy lifestyle and regular engagement with employees	   
<b>Occupational safety &amp; health</b>	Keeping all workers safe and free from injury and both non-communicable and infectious diseases	  
<b>Career development</b>	Providing training and education to employees to expand their knowledge base for career development	   

Sustainability Governance

(Cont'd)

**MATERIALITY MATTERS (CONT'D)**

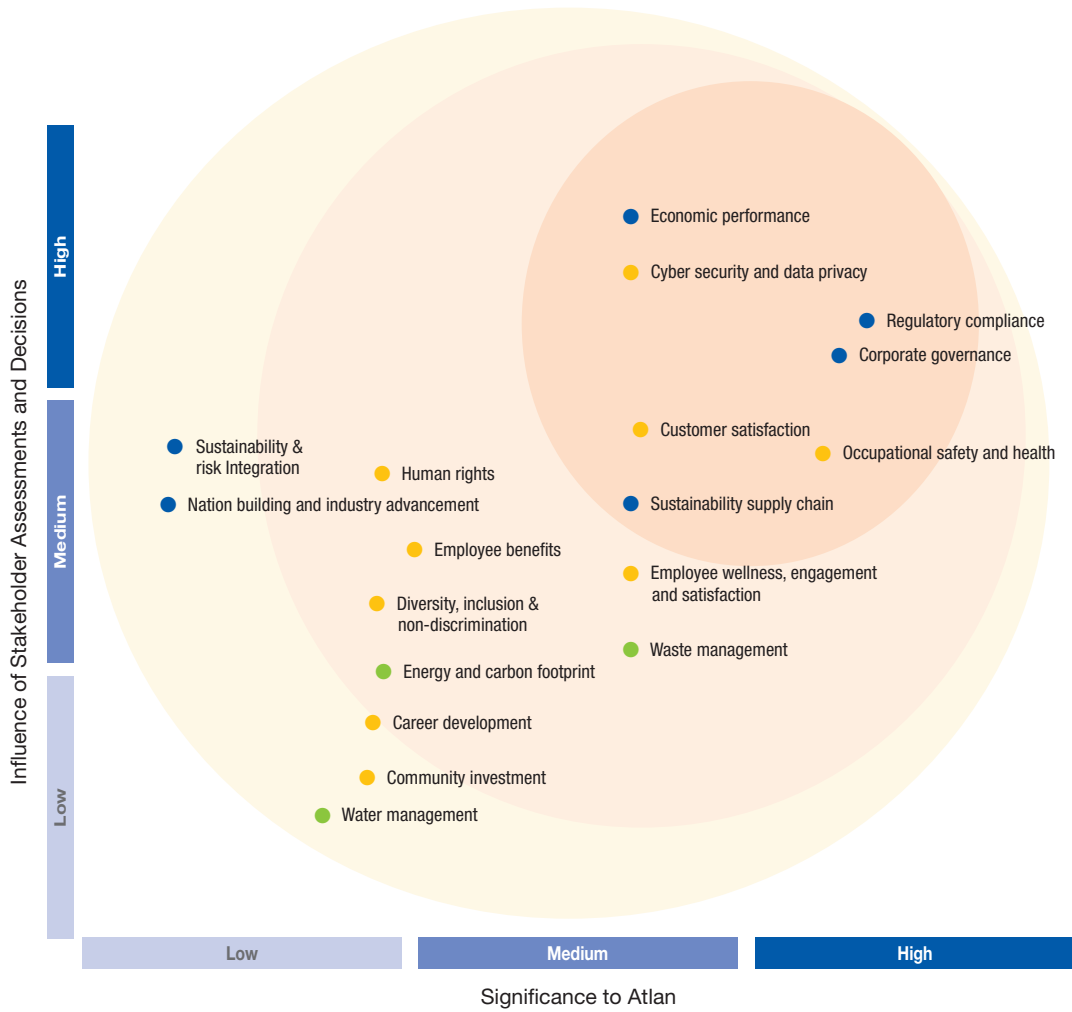
**The Methodology (Cont'd)**

**Summary of Material Sustainability Matters (Cont'd)**

Materiality Matter	Our Commitment	Relevant UNSDGs
<b>Social (Cont'd)</b>		
<b>Diversity, inclusion &amp; non-discrimination</b>	Promoting diversity and equal opportunities and eliminating all forms of discrimination in the workplace	  
<b>Employee benefits</b>	Providing fair and comprehensive employee benefits	  
<b>Human rights</b>	Protecting all aspects of human rights, including protecting the indigenous population, staff welfare and security and ensuring there is no child or forced labour	  
<b>Quality &amp; satisfaction</b>	Ensuring high levels of customer satisfaction and quality throughout operations	
<b>Cybersecurity &amp; data privacy</b>	Protecting the company's IT infrastructure, customers' data and privacy of all stakeholders	
<b>Community investment</b>	Enriching lives in the community in which the Group operates through involvement in society, corporate sponsorship and annual donations to non-profit organisations	     

## MATERIALITY MATTERS (CONT'D)

### Atlan Materiality Matrix



**Legend:**

- Economic
- Environmental
- Social

## Economic

Atlan's economic sustainability objectives consistently deliver sustainable, growing total returns for shareholders, investors and other stakeholders.

Our outlook is optimistic as we strategically expand our market presence with the recent acquisition of BIM, a 4-star-full-service hotel with spa and leisure facilities in the United Kingdom. We optimise our real estate portfolio, enhance property assets and achieve sustained success through continuous improvement and enhancement efforts.

Throughout the year, the Group maintained a steady performance, with notable growth observed in the Automotive segment, which emerged as the primary revenue driver. Concurrently, the Duty Free segment exhibited robust performance, further contributing to the overall positive trajectory of the Group.

Budget 2024 carries positive implications for crucial sectors, including manufacturing and tourism. With a substantial allocation of RM350 million to boost tourism, the government introduces comprehensive incentives for the industry. Declaring 2026 as Visit Malaysia Year underscores the nation's commitment to enhancing tourism. This strategic initiative aligns seamlessly with Atlan's optimistic outlook, as we anticipate favourable impacts, particularly on our duty free retail segment.

We welcome the New Industrial Masterplan 2030, marking a promising trajectory for the automotive sector. The allocated RM200 million in 2024 is the inaugural fund to propel the industry forward. This strategic plan positions the sector as a pivotal driver of new growth for the country, fostering innovation, competitiveness and sustainable development.

### Our Value Distribution

	FY2022	FY2023	FY2024
<b>Economic value generated*</b>	69,669	116,036	143,538
<b>Economic value distributed</b>			
Employees (Salary and other benefits)	45,380	53,181	75,227
Government (Income tax)	2,969	6,182	9,528
Providers of capital (Dividends and finance costs)	20,882	22,899	42,420
Community (Donations)	670	500	350
<b>Total Economic Value Distributed</b>	<b>69,901</b>	<b>82,762</b>	<b>127,525</b>

\* Represents revenue and other income net off operating expenses

### Management Approach

We deliver economic sustainability through ongoing strategic planning, timely measures to mitigate risks and optimal resource utilisation. This commitment strengthens the resilience and stability of our core businesses, positioning us for long-term success and contributing positively to economic growth.

Economic

(Cont'd)

## ADVANCING THE INDUSTRY THROUGH COLLABORATIONS

Atlan actively participates in various industry organisations. Robust engagement with industry peers fosters collaboration and contributes to advancing our respective industries.

Company	Memberships
<p><b>DFIL</b></p>	<p>DFIL actively participates in the annual TFWA Asia Pacific Live and Trade Symposiums, providing a platform for merchandisers and operations teams to engage in face-to-face business interactions with brands, retailers, airlines, cruise lines and industry stakeholders. DFIL also collaborates with customs officers and representatives from KBC Airport, KBC Port, and KBC Border to discuss the latest rulings and acts relevant to the industry.</p> <p>DFIL is a member of Malaysia Retailers Associations and Singapore Business Federation. DFIL's collective strength propels innovation, fosters collaboration and drives progress. DFIL also actively participates in annual trade events, providing a platform for merchandisers and operations teams to interact face-to-face with brands, retailers, airlines, cruise lines and industry stakeholders. These events, which include themed workshops and networking breaks, keep participants abreast of industry developments and evolving consumer demands.</p>
<p><b>UIG</b></p>	<p>UIG is a member of various industry organisations, including Malaysian Automotive Component Parts Manufacturers ("MACPMA"), Federation of Malaysian Manufacturers ("FMM"), Proton Vendor Association (PVA) and Malaysia Employers' Federation ("MEF").</p> <p>UIG leaders hold esteemed positions within prestigious industry associations. For example, Mr Bernard Ng, Project Advisor of UIG, is the Executive Committee Member at Toyota Suppliers Club ("TSC"). Mr Michael Khoo, Chief Executive Officer of UIG, occupies diverse roles across multiple industry organisations, including:</p> <ul style="list-style-type: none"> <li>• Executive Committee Member of Kelab Vendor Perodua ("KVP")</li> <li>• Vice President of Honda Malaysia Suppliers' Club ("HSC")</li> <li>• Auditor at Mazda Suppliers' Association (MSA)</li> </ul>

## TOWARDS RESPONSIBLE AND SUSTAINABLE SUPPLY CHAINS

We engage a diverse group of suppliers and acknowledge the responsibility and opportunity to partner with them to minimise negative impacts along the value chain. Procurement guidelines list expectations of contractors and suppliers regarding critical areas of sustainable procurement: environmental management, human rights and labour management, health and safety, business ethics and integrity.

Engaging closely with suppliers and contractors offers clearer insight into their policies and practices. Distributing sustainability assessment surveys and thoroughly analysing the responses helps us establish a roadmap for reducing our supply chain's environmental and social impacts through a partnership-based approach.

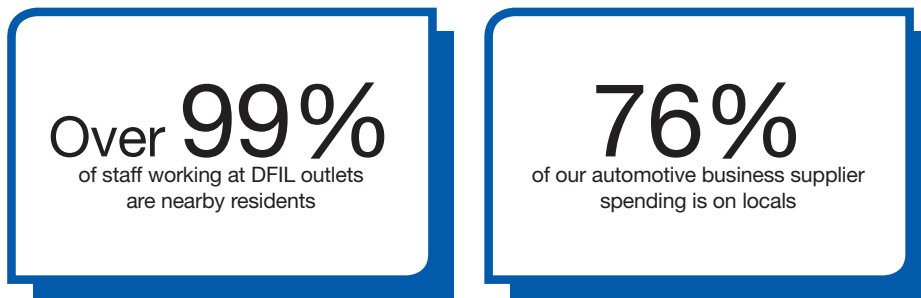
Economic

(Cont'd)

## TOWARDS RESPONSIBLE AND SUSTAINABLE SUPPLY CHAINS (CONT'D)

### Prioritising Local

We prioritise developing a robust local supply chain, nurturing community partnerships and bolstering regional businesses. Local procurement supports the economic growth of our communities, enhances sustainability and fortifies relationships with nearby suppliers for mutual benefit and resilience. Engaging local suppliers also provides greater control and flexibility over the supply chain while positively impacting the local economy.



### Sustainability in the Supply Chain: Environmental, Social, and Operational Efficiency

Efficient distribution is paramount for DFIL as a duty free retailer with a vast international product portfolio. We strive for best practices, timely supply and operational excellence across our extensive outlets. Offering an exclusive range of duty free products aligns with a dedicated focus on providing a unique shopping experience.



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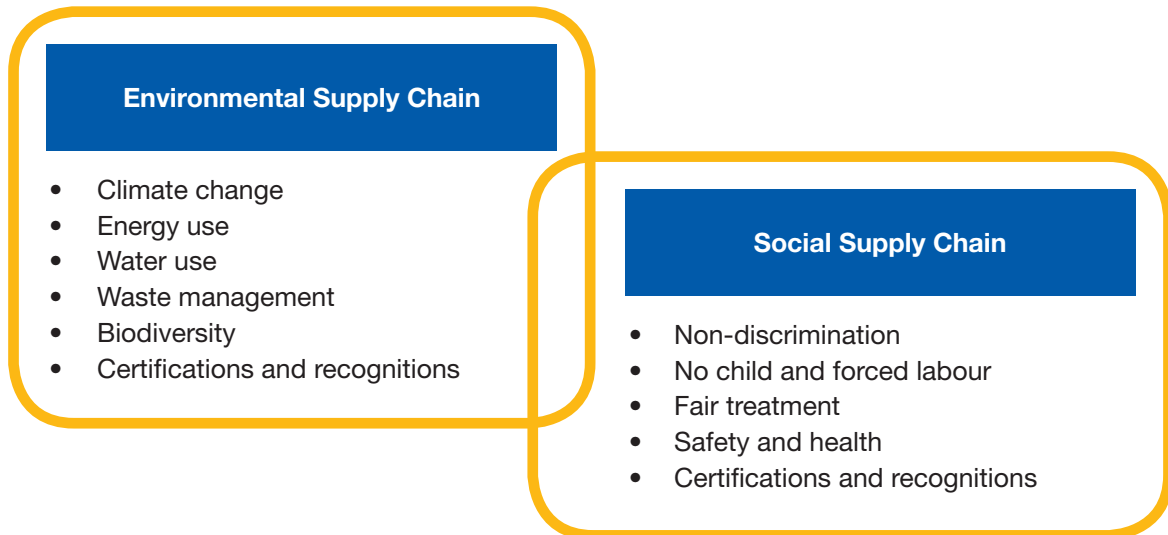
## TOWARDS RESPONSIBLE AND SUSTAINABLE SUPPLY CHAINS (CONT'D)

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### Sustainability in the Supply Chain: Environmental, Social, and Operational Efficiency (Cont'd)

We select partners who share our values and embrace sustainable practices. Through assessments and transparent communication, we foster a supply chain committed to ethical conduct and environmental stewardship.

#### Sustainability Criteria Assessed within Our Supply Chain



Logistic optimisation minimises our carbon footprint and reduces environmental impact in transportation and distribution. DFIL has refined its forecasting and replenishment (F&R) system. Through a comprehensive business analysis, the Group introduced a strategy to scrutinise the end-to-end supply chain, from supplier to shelf, considering the locations of brand partners and airports. This analysis provides the capacity for the Group's growing business, facilitating discussions on minimising logistics constraints with suppliers.

# Environmental

Atlan’s dedication to environmental sustainability is ingrained across its automotive, property and retail operations, acknowledging the inherent environmental impact they pose. Our commitment remains resolute as we diligently mitigate these effects. Atlan’s core environmental objectives enhance the operational performance of its buildings, outlets and plants while minimising their environmental footprint. We actively explore measures to reduce energy consumption, improve waste management practices, and decrease water intensity and carbon footprint.

## Management Approach

We have correlated our activities with pertinent environmental risks and impacts, systematically mapping the connections. Furthermore, we have devised detailed action plans to address and mitigate these identified challenges.

Corporate Activities	Environmental Impact	Response and Initiatives
<ul style="list-style-type: none"> <li>Leasing</li> <li>Production</li> <li>Retailing</li> <li>Transportation</li> <li>Sales and service</li> <li>Purchasing</li> <li>Recycling</li> </ul>	<ul style="list-style-type: none"> <li>Air pollution</li> <li>Waste</li> <li>Water use</li> <li>Noise</li> <li>Local environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>Reducing exhaust emissions</li> <li>Venturing into renewable energy</li> <li>Designing 3R practices</li> <li>Improving fuel economy</li> <li>Green purchasing</li> <li>Green logistics</li> <li>Implementing a proper disposal and waste management system</li> <li>Utilising resources efficiently</li> </ul>

## Environmental Standards and Guidelines

As UIG operates in the manufacturing sector, its environmental impact is more significant than that of other businesses in the Group. UIG is committed to the highest standards and adheres to the globally recognised ISO 14001. This standard effectively addresses air, water and noise pollution throughout the process, encompassing raw material sourcing, manufacturing and product disposal. All plants at Meru Plant 1 in Klang are fully compliant with ISO14001 standards, except its Pegoh Plant 2 in Melaka.

Even though DFIL’s operations as a retailing group do not contribute significantly to climate-related risks, the Group continues to adopt ways to optimise the use of scarce resources and explore opportunities for reducing its environmental footprint through its Environmental Policy.



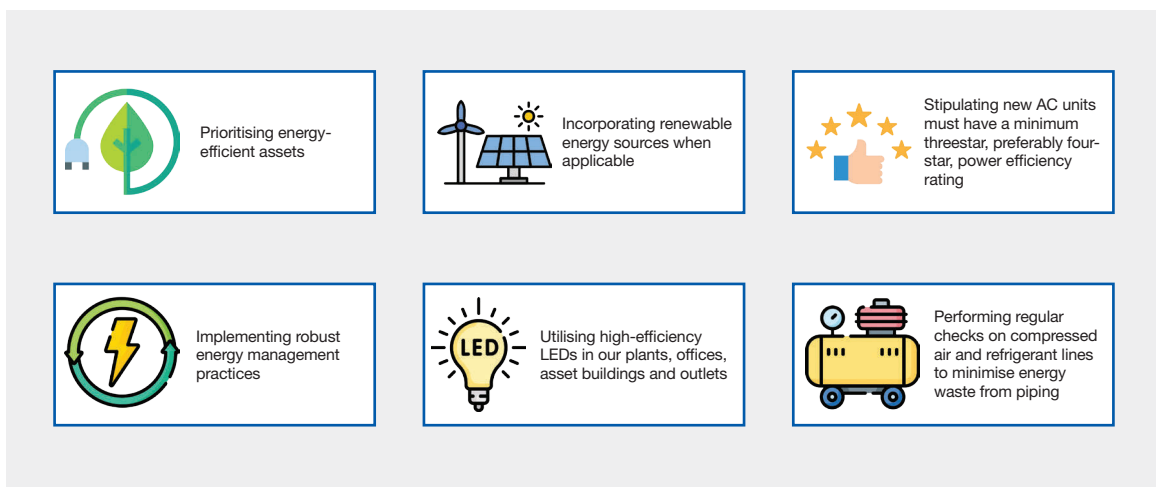
## Environmental

(Cont'd)

### ENERGY AND CARBON EMISSIONS

Our energy management approach is committed to reducing our environmental impact through strategic investments in resource efficiency and integrating conservation practices across our buildings, plants, and outlets.

#### Critical Components of Atlan's Energy Management Commitment



Sunroofs at automotive plants harness sunlight and natural daylight. This design choice of natural light reduces reliance on artificial lighting during daylight hours. UIG staggers its machine activations to prevent energy surges and minimise additional maximum demand charges.

UIG also installed low-voltage, high-volume fans in the plants. See-through claddings allow light to penetrate the facility, which is vital for natural light after replacing the sunroof with solar panels. These practices enhance operational efficiency, optimise energy usage and mitigate associated charges.

DFIL operates outlets in heavily regulated areas, utilising owned and leased premises. In leased locations, a significant portion of utility consumption, including water and energy use, is beyond DFIL's direct control, predetermined by landlords and building construction. In response, DFIL enhances stakeholder dialogue, particularly with airports and supply chain partners, to explore opportunities for reducing environmental impact. In owned premises, energy consumption is traditionally high due to retail business needs, necessitating optimal in-store lighting and ambient temperature. Despite these demands, DFIL is committed to optimising energy use. Actively implementing LED technology is a testament to our efforts to achieve efficient energy consumption.

DFIL outlets undertook several other initiatives to enhance resource efficiency, such as:

- Adopting differential switches to minimise consumption during closing hours
- Manually monitoring resources with the proactive shutdown of power supply in unused operational areas
- Installing A-rated electronic devices for air-conditioning and refrigerators

## ENERGY AND CARBON EMISSIONS (CONT'D)

### Critical Components of Atlan's Energy Management Commitment (Cont'd)

During the year, DFIL replaced air conditioner units with split units, enabling selective utilisation for reduced energy costs. The Group prioritised energy-efficient, inverter-based equipment to increase overall operational efficiency.

Our Property arm overseeing Menara Atlan pursues energy efficiency measures, replacing traditional lighting with LED fixtures in common areas such as lift lobbies, recess lights, staircases and multi-level parking blocks.

Regularly servicing and maintaining essential building equipment, including the Mechanical Ventilation and Air Conditioning (MVAC) system, optimises efficiency. Replacing the AHU Cooling Coils in the AHU Room and changing the MVAC chiller operation schedule reduces overall energy consumption.

The management thoroughly reviews potential measures to enhance energy efficiency within the property, considering installing lighting and motion sensors in the staircases. These sensors would automatically control the lighting based on occupancy, reducing unnecessary energy consumption during periods of low or no activity. We are also considering installing inverters, which optimise electrical equipment by adjusting the power supply based on demand, resulting in more efficient energy usage throughout the building. These initiatives form a crucial part of the building's endeavour to achieve a 10% reduction in annual electricity consumption.

### Renewable Energy



Solar Panel at Bukit Kayu Hitam Outlet

## Environmental

(Cont'd)

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## ENERGY AND CARBON EMISSIONS (CONT'D)

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### Renewable Energy (Cont'd)

Atlan is integrating renewable energy sources into its energy portfolio, aligning with its commitment to meet growing demands sustainably. A notable step in this direction involves significantly increasing solar energy by installing solar panels on the rooftops of DFIL's outlets at Bukit Kayu Hitam and Padang Besar.

DFIL has a total installed rooftop solar capacity of 565 kWp, generating 737 MWh of electricity in FY2024 and saving a monthly average of RM31,249. Recognising the growing trend of electricity consumption at specific locations due to increased business activity, DFIL plans to expand its initiative by installing solar panels at one or two additional locations. This decision follows an assessment of current consumption trends and future projections. The installation of solar panels aligns with DFIL's goal to reduce its carbon footprint, decrease reliance on non-renewable energy sources and achieve cost savings.

Maintaining existing solar arrays also maximises their efficiency. Annually cleaning the panels prevents dirt from hindering solar energy production. Systematically removing these impediments ensures that the solar panels operate at maximum capacity.

In FY2024, our Automotive division, UIG, embarked on a renewable energy journey by installing a solar panel system at Meru Plant 1. This project was approved and subsequently activated in March 2024. This substantial investment exceeding RM2 million should yield a payback period of approximately two years, accompanied by an estimated 30% annual savings. UIG is currently studying the feasibility of installing a solar panel system at its Pegoh Plant 2, in Melaka.

Introducing strategically positioned solar-powered street lamps is aligned with our commitment to enhancing safety and visibility in the plant vicinity. These lamps harness renewable energy, illuminating the surroundings and establishing a secure and well-lit environment. This comprehensive approach underscores ongoing dedication to environmental sustainability while prioritising the safety and well-being of employees and the local community.

## Environmental

(Cont'd)

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Atlan recognises climate change's multifaceted impact on societal, industrial and business landscapes. We have proactively integrated the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") into our operational framework. This commitment extends across governance, strategy, risk management and metrics/targets. Aligning climate-related disclosures with TCFD guidelines helps us navigate climate risks and opportunities effectively, fostering a resilient and sustainable business approach.

Key Areas	Rationale	Atlan's Approaches
<b>Governance</b>	Atlan's governance of climate-related risks and opportunities	<ul style="list-style-type: none"> <li>The Board considers sustainability issues in formulating its strategy, determining material sustainability factors and overseeing their management and monitoring.</li> </ul>
<b>Strategy</b>	The actual and potential impacts of climate-related risks and opportunities on Atlan's business, strategy and financial planning	<ul style="list-style-type: none"> <li>Atlan identified climate change, including physical and transitional risks, as a critical risk in its Enterprise Risk Management ("ERM") Framework.</li> <li>Atlan's strategy in addressing these climate-related risks and opportunities spans all areas of the Group's operations cycle.</li> <li>Atlan strategically incorporates renewable energy sources, particularly solar power, into its climate-related initiatives. The Group recognises the importance of sustainable energy practices and leverages solar technology to mitigate environmental impact.</li> </ul>
<b>Risk management</b>	Atlan's process to identify, assess and manage climate-related risks	<ul style="list-style-type: none"> <li>The Board identifies climate change as a material risk issue and reviews these risks in the ERM Framework.</li> <li>Atlan's annual risk assessment exercise identifies, assesses and documents material risks, including relevant ESG risks, essential controls and mitigating measures.</li> </ul>
<b>Target</b>	The metrics and targets used to assess and manage relevant climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Atlan has tracked and reduced its greenhouse gas emissions ("GHG") and discloses its direct emissions (Scope 1), indirect emissions (Scope 2) and other indirect emissions (Scope 3). For more information, please refer to the Performance Data Table on page 68 of this Sustainability Report.</li> <li>The Group is currently developing carbon reduction targets.</li> </ul>

## Environmental

(Cont'd)

### WASTE MANAGEMENT

Atlan's buildings, plants and outlets take various measures to mitigate and eliminate generated waste, including source reduction, reuse, recycling, handling, storage, transportation and disposal of any remaining waste in compliance with applicable regulations. Our waste mitigation hierarchy prioritises waste avoidance and actively promotes recycling to minimise environmental impact.

In 2024, we introduced a comprehensive waste tracking system that weighs domestic and scheduled waste, collecting precise data for thorough analysis, monitoring and tracking. Initially, we will implement this system at Menara Atlan, establishing an effective waste management strategy and reinforcing our commitment to environmental sustainability.

#### Waste Handling of Key Types of Waste at Each Operation

##### At Our Buildings

###### General waste, including office waste

- Paper waste minimisation is an ongoing effort in all offices. The Group introduced local initiatives to reduce paper, including double-sided printing and encouraging the digital storage of documents, only printing when necessary.
- A waste tracking system for detailed analysis and monitoring.

##### At Our Outlets

###### Solid and recyclable waste

- Waste produced by operations outlets is primarily packing materials which are handled through the waste disposal system and recycled accordingly.
- DFIL continues to reduce single-use plastics by reusing packing materials, cartons and pallets used for transportation, consistently reducing the consumption of new resources.
- DFIL retains and reuses back walls and gondolas from one outlet to another, as needed, to reduce the demand for new resources and minimises the environmental impact of manufacturing new fixtures and fittings.
- DFIL is exploring the possibility of exclusively offering biodegradable or recycled bags for its retail business by assessing the monthly volume of bags used and the types and sizes required for different products. It aims to fully replace conventional bags with biodegradable or recycled options in its retail business by FY2027.

##### At Our Plants

###### Scheduled waste, including waste paint

- A licensed contractor removes waste paint from the UIG plant within 180 days and disposes of it according to the Environmental Quality (Scheduled Wastes) Regulations 2005. A licensed scheduled waste contractor also recycles wastes and recovers paint pigment or other recyclables. UIG labels and correctly stores all oil drums.
- Scheduled waste movement is recorded in the Electronic Scheduled Waste Information System according to the Environmental Quality Act 1974 ("EQA 1974").

## Environmental

(Cont'd)

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### POLLUTION MANAGEMENT

UIG monitors its chimney annually to manage pollution. This systematic evaluation prevents hazardous substances from being released into the atmosphere during spraying. This approach minimises our environmental footprint and prioritises the well-being of the communities in which we operate.

Based on the results of our Isokinetic Stack and Air Emission Monitoring done in April 2023, the dust concentration and heavy metal levels emitted were well within the limits of the Malaysian Environmental Quality (Clean Air) Regulation 2014 during the sampling period. The smoke opacity was within the permitted limit against the Ringelmann Chart No. 1.

### CONSERVING WATER RESOURCES

Atlan is dedicated to responsible water management, acknowledging its role in stewarding water resources.

Initiatives include displaying reminders in bathrooms and promoting water-saving practices. Regular monthly monitoring ensures swift detection of potential leaks.

We exercise prudent control over consumption, integrating technology like sensor-equipped hand wash systems in our manufacturing plant toilets. Implementing individual isolating valves at Menara Atlan reduces water loss during emergencies. Ongoing efforts to identify and replace deteriorating water pipes demonstrate our commitment to reducing incidents of pipe failure in routine operations.

## *Social*

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Atlan cherishes the contributions of every employee, placing a premium on safe and engaging work environments while offering access to valuable development opportunities. As an employer, our dedication to corporate values shines through in cultivating an atmosphere founded on trust and respect throughout each employee's journey with us.

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### **Management Approach**

Atlan is committed to fostering a thriving and inclusive workplace through our People Management philosophy. Acknowledging employees' crucial role in our success, we prioritise caring for their well-being, supporting their professional growth and keeping them engaged.

Our approach encompasses a range of initiatives, from comprehensive training programmes to employee support services; each helps create a dynamic and collaborative work environment. Focusing on diversity, equity and inclusion, Atlan's People Management empowers, motivates and equips the workforce so it contributes optimally to our collective success.

## **OPEN COMMUNICATION**

We reinforce our commitment to open communication through a robust grievance mechanism that allows employees to express their concerns. Employees can submit their grievances through a confidential and impartial system. Atlan thoroughly investigates these concerns and addresses each through appropriate channels within the organisation.

We facilitate continuous improvement by conducting exit interviews with departing employees. These interviews are an invaluable opportunity to:

- Gather feedback about their overall experience
- Discover the reasons for their departure
- Identify areas for improvement within the organisation

This knowledge helps Atlan adjust policies, procedures and the work environment to foster a culture of responsiveness and employee well-being. This iterative feedback loop is vital in shaping a positive and supportive workplace.

## **EMBRACING A DIVERSE AND INCLUSIVE WORKFORCE**

Operating within various industries, we acknowledge the vital significance of diversity. Our interactions, extending from automotive to hospitality to retail sectors, encompass a diverse array of stakeholders. This inclusivity underscores the importance of embracing and understanding different perspectives, needs and backgrounds.

The Group is committed to fostering a work environment free from discrimination or harassment based on various factors, including race, ethnicity, gender, creed, religion, age, disability, sexual orientation, or any other protected status. Our policy provides equal opportunities for all employees, encompassing hiring, pay rates, training and development, promotions and other terms of employment, with a particular emphasis on the principle of equal pay for equal work.

**Zero Tolerance to Sexual Harassment**

We uphold a stringent zero-tolerance policy against sexual harassment in our workplace, emphasising awareness through prominent sexual harassment posters in common areas. Any substantiated cases will result in immediate and appropriate disciplinary actions, encompassing reprimands, suspension, termination and legal actions, depending on the severity. This approach reinforces our unwavering commitment to fostering a safe and respectful work environment for all employees.

**TRAINING AND DEVELOPMENT**

Atlan does not merely provide jobs; it promises career growth. Our unique approach combines internal and external training initiatives. The Human Resources Departments in each division craft tailored training programmes, analysing and identifying gaps to plan a training calendar accordingly. Actively encouraging employees to engage in courses led by professionals enhances their qualifications. Our commitment extends to personal development training and nurturing individual growth. Leadership workshops, technical certifications and language proficiency courses are part of our comprehensive training programmes to empower the workforce.

Examples of Training Conducted and Attended in FY2024	
<ul style="list-style-type: none"> <li>• Basic occupational first aid, CPR and AED training</li> <li>• HRD Corporate Grant Clinic 2023</li> <li>• Microsoft Excel</li> <li>• Cyber Insights</li> <li>• 2024 Budget Seminar</li> <li>• Compliance and Liaison Requirements Briefing</li> </ul>	<ul style="list-style-type: none"> <li>• Madani Budget 2024</li> <li>• Environmental management system</li> <li>• Employment Act 2022</li> <li>• Data analysis</li> <li>• Technical training such as Karakuri training, surface modelling training</li> <li>• Safety programmes</li> </ul>

**POSITIVE CULTURE AND ENGAGEMENT**

Cultivating an engaged workforce through various activities unites employees and fosters community spirit.

This year marks a significant milestone for UIG as we commemorate its 50<sup>th</sup> anniversary. We hosted a special appreciation dinner to express gratitude to all those who have played a pivotal role in our journey.

Routine departmental gatherings nurture a sense of community and promote camaraderie within the organisation. Our commitment to employee engagement is evident through various initiatives, including recognising achievements and celebrating festivals.

Extensive benefits and contributions include family members, emphasising their integration into our organisational culture. This support encompasses contributions during bereavement and medical assistance. Empathising with our foreign associates, distant from their families, we organise special events to foster their sense of belonging within the company.

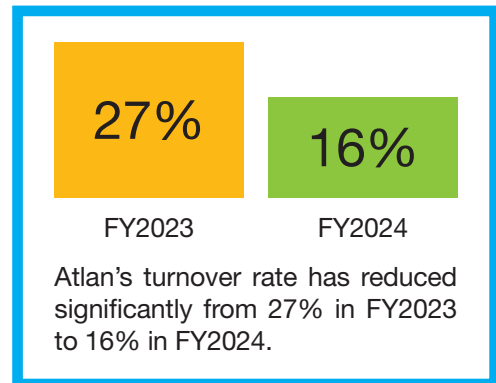
## Social

(Cont'd)

### EMPLOYEE SATISFACTION

Atlan assesses employee satisfaction through indirect indicators such as turnover and absenteeism, considering these as potential signals of underlying organisational issues that may reduce employee contentment.

The Group Human Resources Department observes an average participation rate of 82% in company activities, a positive engagement level. An annual assessment also gauges staff awareness regarding the relevance and importance of their activities. This assessment, conducted through an Employee Survey Form, helps us understand how employees can contribute to achieving quality objectives.



### OCCUPATIONAL SAFETY AND HEALTH

Atlan's safety-oriented culture prioritises employee well-being. Acknowledging the unique safety needs across our automotive, duty free retailing, property and hospitality divisions, we implement customised guidelines to meet diverse safety requirements. Adhering to stringent safety standards, Atlan enforces robust safety protocols, conducts regular assessments and provides comprehensive training programmes for each division. This steadfast dedication guarantees a secure workplace, reinforcing a commitment to the health and safety of our valued workforce.

Our Automotive Division has been certified with **ISO 45001 since 2020**. This certification reflects a dedicated commitment to systematic occupational health and safety management, ensuring legal compliance, proactive risk mitigation, continuous improvement and stakeholder confidence.

### Safety Governance

Each business division has a Safety Committee that complies with the Department of Safety and Health requirements. Each committee contains a balanced employer and employee representation. The Safety and Health Committee develops rules, assesses programme effectiveness, investigates incidents, reviews policies, inspects the workplace quarterly, and has the authority to stop unsafe acts or processes.

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## OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

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### Safety Hazard And Risk Management

Hazards exist in every workplace in different forms; workplace hazard identification, risk assessment and control are ongoing. Atlan identifies hazards by implementing the Hazard Identification Risk Assessment and Risk Control (“HIRARC”) based on HIRARC Guidelines by the Department of Occupational Safety and Health (“DOSH”) (2008).

During the year, UIG revised the hazards of its blanking, piercing, trimming and cam-pierce process due to the change in the number of machines. UIG developed a hazard checklist referencing a sample of legislation and supporting codes of practice.

DFIL also schedules regular inspections and maintenance of all electrical and fire emergency systems, including fire alarms, emergency lights, exit signs, automatic sprinklers, pressurised hydrants, wet and dry risers and hose reel systems. A third-party service and maintenance company regularly inspects the machine room, lift and escalators to ensure they function optimally. DFIL takes appropriate measures in emergencies and considers shopper safety, the firefighting system, and electrical and storage facilities in store design.

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### Safety Training

The Group organised an array of safety training programmes for employees and contractors, such as:

- Safety awareness briefings for new and existing employees
- Fire drills, evacuation drills and safety shop floor management (specifically for the Automotive Division)

Contractor training focused on areas such as Hot Work, Lifting Equipment with sky lifts and cranes, confined space work, electrical commissioning and activities at heights. Before commencing their tasks, contractors must adhere to the Group’s Safety Control Procedure for Contractors, Suppliers, and Visitors. This procedure is a standardised and comprehensive approach to safety protocols across various work activities.

Visitors and contractors, particularly those entering our manufacturing plant, must attend safety briefings conducted by the dedicated Safety Team. These briefings offer in-depth information about safety protocols, emergency procedures and specific guidelines pertinent to the premises. The Safety Team ensures that individuals unfamiliar with the site are thoroughly informed and equipped to comply with safety standards throughout their time within the facility.

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## OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

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### Safety Across Our Supply Chain

Our safety commitment extends to our supply chain, where we actively seek to influence our business partners to prioritise workplace safety. Our responsible sourcing practices include requiring suppliers and vendors to manage health and safety risks and ensure their workers are safe and protected.

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### Fire Safety

Atlan prioritises the fire safety of all its buildings and conducts thorough assessments. Menara Atlan underwent its annual BOMBA inspection in preparation for renewing its Fire Certificate. This comprehensive assessment includes checks on all fire extinguishers. Atlan also renewed its certifications for lifting machinery and underwent its annual safety inspection by the Department of Occupational Safety and Health.

In February 2024, Atlan held a Fire Drill at Menara Atlan to raise staff awareness and preparedness for fire emergencies. This proactive approach underscores our commitment to maintaining a secure and well-prepared environment.

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### A Holistic Approach to Employee Health, Well-being and Support

Atlan prioritises the safety and overall well-being of all employees. The Head Office conducts the Health Screening Programme and is accessible to all staff. This initiative supports our continuous commitment to ensuring and enhancing the health and well-being of our workforce. At UIG, all departments must participate in 'TAISHO,' involving light exercises to boost employee morale before starting work. Employees requiring assistance and mental health support are eligible for counselling from their HOD and HRD or Safety Department. Our commitment to providing suitable channels for guidance and aid underscores our dedication to supporting the well-being of our employees.

Meanwhile, DFIL has taken significant strides this year by implementing comprehensive health screenings for all employees in collaboration with local clinics. The programme includes various health assessments such as blood pressure, cholesterol levels, blood sugar and Body Mass Index ("BMI"). Employees are invited for one-to-one consultations with healthcare professionals to discuss their results and receive personalised health advice to ensure optimal health and vitality.

## RESPECTING HUMAN RIGHTS

Atlan continues to advocate for the promotion of human rights across all facets of its operations. Its Human Rights stand applies to relevant stakeholders, including employees, contractors, suppliers and tenants.

Fundamental human rights principles guide this commitment, as defined by the Employment Act 1955 (revised 2022), the Child Act, and other related acts enforced in Malaysia. Furthermore, it aligns with international standards, including the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the International Bill of Human Rights and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work.

## RESPECTING HUMAN RIGHTS (CONT'D)

### Atlan Principles, Codes and Actions with Regards to Human Rights and Labour

**Freely chosen employment**

We have zero tolerance for forced, involuntary or exploitative prison, indentured, bonded (including debt bondage), trafficked or slave labour.

**Prevention of Child Labour**

We have zero tolerance for child labour, defined as work by any person:

- Aged less than 15
- Under age for completing compulsory education
- Under the minimum age for employment

(Whichever is the most stringent in the country of origin)

**Working Hours**

We comply with local working hours and overtime laws and reduce excessive overtime.

**Wages and Benefits**

Our worker compensation complies with all applicable wage laws. We exceed the legally mandated minimum living wages, benefits and overtime pay.

## RESPECTING HUMAN RIGHTS (CONT'D)

### Atlan Principles, Codes and Actions with Regards to Human Rights and Labour (Cont'd)

#### Eradicating any form of Harassment or Abuse

We will maintain a workplace that is free from physical, psychological or verbal abuse, the threat of abuse and sexual or other harassment. Equality and mutual respect characterise our conducive working environment. We have established a grievance mechanism policy that allows employees to report any concerns or violations related to the workplace.

#### Equality and Non-discrimination

Our recruitment and employment practices protect against discrimination based on race, colour, religion, age, gender, sexual orientation, gender identity and expression, ethnicity or nationality, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status.

The Company improved workforce diversity and equal opportunities and reduced discrimination, including those based on the following:

- Race and Traits** We embrace and celebrate the cultural diversity of all races and their respective festive traditions.
- Religion** Designated prayer rooms at all workplaces, properties and assets accommodate various religious practices.
- Gender** Providing equal opportunities for training, career development and advancement for all employees regardless of gender.
- Age** Fostering a culture of collaboration, respect and mutual learning across different age groups.
- Disabilities** We designed and equipped all properties to be disability-friendly.
- Nationality** We welcome and consider individuals of all nationalities in our hiring process.

#### Talent Development

We offer workers an opportunity to grow, learn new skills and develop.

#### Health and Safety

We established a Health and Safety Management System reflecting ILO Guidelines on Occupational Safety and Health. We strive for a 'Zero Harm' environment for employees and encourage contractors, suppliers and tenants to achieve the same.

## RESPECTING HUMAN RIGHTS (CONT'D)

### Atlan Principles, Codes and Actions with Regards to Human Rights and Labour (Cont'd)

#### Freedom of Association and Collective Bargaining

We comply with local laws on freedom of association and collective bargaining by:

- Maintaining an open-door policy.
- Allowing workers to communicate their ideas and concerns with management on working conditions and management practices openly without fear of intimidation or reprisal.
- Respecting the rights of all workers to collective bargaining, including forming and joining trade unions of their choice, bargaining collectively, engaging in peaceful assembly or refraining from such activities.

#### Open and Transparent Communication

Atlan’s whistleblowing channel guarantees anonymity and is available to internal and external stakeholders.

## COMMUNITY AND SOCIAL IMPACT

Contributing positively to social impact within our dynamic communities is a privilege. Atlan is committed to responsibly stewarding society to create lasting community value. Each business division actively engages with its community while collectively sharing common goals of fostering mutual growth and collaboration.

Atlan has made a significant contribution of RM350,000 to Yayasan Harmoni. This non-profit organisation provides aid and support to underprivileged and distressed individuals, offering financial assistance and scholarships to deserving recipients.

Beneficiaries of our contributions this year include:

- Providing a total of RM15,000 financial aid to 15 DFIL employees stationed at Rantau Panjang affected by the monsoon flood in December 2023.
- Assistance for school reopening was extended to 173 Atlan employees from lower-income backgrounds, benefiting 276 schoolchildren and totalling RM41,400.
- Contributing RM47,450 to orphans during Ramadan 2023.
- Allocating RM179,500 of financial support for the underprivileged and deserving recipients.

## Social

(Cont'd)

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### COMMUNITY AND SOCIAL IMPACT (CONT'D)

Atlan's commitment to social responsibility goes beyond philanthropy, encompassing active community engagement and partnerships. Automotive Division activities include a football match between UIG and:

- Honda Melaka, on 2 September 2023.
- Real Mawar Football team from the surrounding community at JSA Arena Setia Alam on 22 December 2023.

Atlan also actively contributes to community capacity building through education and employment initiatives. UIG collaborated with institutions, including UITM Shah Alam, ADTEC Kemaman, UITM Puncak Perdana, Politeknik Port Dickson and KPTM Kuantan, to provide internship programmes for automotive students at its manufacturing plants. UIG also welcomed a visit from the District Police Headquarters North Klang on 28 March 2023.



### SUSTAINABLE EXCELLENCE ACROSS DIVERSE OPERATIONS

Atlan's diverse business operates in the automotive, duty free retailing, property and hospitality sectors. The Group commits to responsible operations that encompass every facet of its business. Despite the diversity of stakeholders, the ultimate goal remains consistent — to deliver value for both its shareholders and stakeholders. Atlan realises this commitment through its sustainable business model.

## EXCLUSIVE EXPERIENCE ANYTIME, ANYWHERE

We are committed to delivering a distinctive experience that resonates with customers, tenants, residents, shoppers and guests. Our dedication goes beyond mere transactions; it involves providing an exceptional encounter through value-added services.

<p><b>Automotive</b></p>	<p>UIG has over five decades of experience producing and supplying quality automotive components to Original Equipment Manufacturers in Malaysia. UIG maintains rigorous automotive quality standards, adhering to certifications and undergoing regular audits. UIG holds ISO 9001 certification for its Quality Management System (QMS). The company also adheres to the International Automotive Task Force (IATF 16949) standard [IATF 16949:2016].</p>
<p><b>Duty Free Retailing</b></p>	<p>DFIL has reimagined its store interiors, infusing a modern ambience. Outlets curate a lifestyle experience, aligning merchandise with customers' aspirations. We enrich shopping encounters through a cosy interior design, captivating scents, sounds and merchandise sampling.</p> <p>Recognising the nature of duty free shopping, which often occurs between itineraries or during rushed moments, we prioritise efficiency in every aspect. Streamlined processes and thoughtfully designed store layouts offer swift navigation, allowing travellers to find and purchase items without unnecessary delays. From efficient checkouts to meticulously arranged product displays, we recognise the importance of time in your travel itinerary. DFIL makes duty free shopping a convenient and efficient experience that caters to travellers' unique, on-the-go needs.</p> <div data-bbox="592 1335 1377 1686"> <p><b>Store</b></p> <ul style="list-style-type: none"> <li>Well-organised, easy to browse and attractive</li> <li>Placing outlets at strategic exit points and popular tourist destinations across Peninsular Malaysia</li> </ul> <p><b>Product</b></p> <ul style="list-style-type: none"> <li>Exclusive and premium quality products</li> <li>Global brands of diverse product categories such as Confectionery, Fragrances, Spirits, Wine &amp; Champagne, Household Products, Food, Leather, Souvenirs and Fashion</li> <li>Maintaining prices below market rates</li> </ul> <p><b>Service</b></p> <ul style="list-style-type: none"> <li>Exceptional duty free shopping experience</li> <li>Efficient, fast and secure by offering E-wallet and contactless payment options and CCTV system at all outlets</li> </ul> </div>
<p><b>Property and Hospitality</b></p>	<p>Menara Atlan is continually undergoing property enhancements, maintenance, and upgrade works to ensure the satisfaction and comfort of our tenants.</p> <p>Some of the initiatives implemented during the financial year include:</p> <ul style="list-style-type: none"> <li>Upgrading electricity cables to prevent power disruptions within the building</li> <li>Replacing cooling coils in the AHU to enhance aircond efficiency and improve comfort</li> <li>Transitioning from a manual parking ticketing system to cashless parking system</li> </ul>

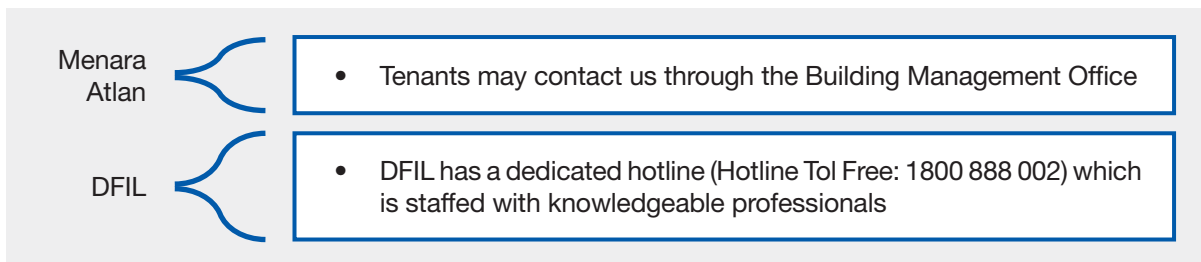
## Social

(Cont'd)

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### STAY CONNECTED

We highly value feedback and encourage our stakeholders to connect with us. Surveys, thoroughly examining feedback and continuous engagement provide a comprehensive understanding of our customers' concerns. Atlan ensures effective communication through dedicated channels in each business division.



UIG actively engages with clients while initiating new projects or Request for Quotation (RFQ) processes and diligently follows up on project activities. The company encourages discussions and meetings with clients to gain insights into ongoing projects, better understand upcoming new models, explore potential parts for localisation and assess emerging customer needs.

### DATA PRIVACY AND SECURITY

We showcase our unwavering dedication to robust data privacy and security through state-of-the-art cybersecurity initiatives. Over time, we have implemented sophisticated encryption protocols, regularly conducting security audits and utilising multi-factor authentication. These proactive measures bolster our systems, guaranteeing the safeguarding of sensitive information and fostering stakeholder confidence.

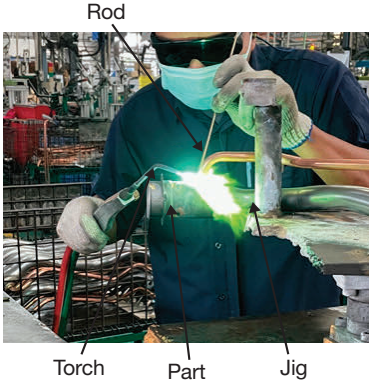
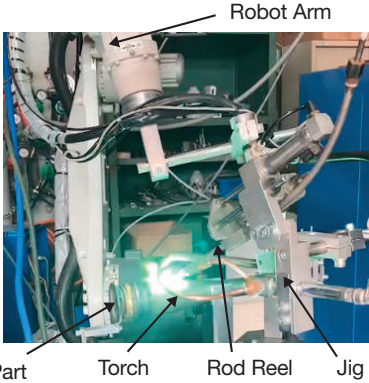
### DIGITALISATION

Atlan embraces the digitalisation revolution with strategic initiatives. Internally, the Group introduced online payments through RHB Reflex for employee salaries and supplier transactions. Externally, DFIL has expanded cashless payment options, integrating Alipay, Touch&Go, Grabpay and Boost. Aligning operations with advancements in digital finance enhances efficiency and enhances transaction security.

## REVOLUTIONISING OPERATIONS: A LEAP INTO ADVANCED PROCESSES AND CUTTING-EDGE TECHNOLOGY

### Robot Brazing

Replacing manual labour with Robot Brazing delivers consistent output for UIG. Consolidating three separate processes into one which also improves overall output efficiency. Only one associate is needed to complete the entire process. The transition from manual operations to robot brazing increased productivity by 20%.

Item	Manual Brazing	Robot Brazing
Features		
Man Power	3 associates	1 associate

### MF Bender to Replace the Old Bender

Replacing the current Type T and TK Bender with the Multi-Function Bender marks a significant advancement in UIG’s process optimisation. The multi-function bender allows for a full machine bending process without the need for any manual bending. This enhancement creates a streamlined one-piece process flow, increasing productivity and ensuring quality consistency.

### Inverter Type Air Compressor

UIG improved its air supply system by replacing its aging compressors with the latest Inverter Type Air Compressors. Commissioned in February 2024, these upgrades improve energy efficiency and ensure consistency in compressed air supply, while reducing operating and maintenance costs.

## MOVING FORWARD

In conclusion, Atlan’s unwavering commitment to sustainability propels us towards a future where innovative practices, responsible resource management, and continuous improvement stand as pillars. As we stride forward, our aim is not only to make a substantial positive impact on the well-being of our planet but also to ensure the prosperity of future generations, keeping in mind the well-being of our diverse stakeholders.

# Performance Data Table From Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executive	Percentage	30.77
Non-executive/Technical Staff	Percentage	0.98
Bursa C1(b) Percentage of operations assessed for corruption-related risks		
	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken		
	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		
	MYR	350,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities		
	Number	323
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Executive Under 30	Percentage	12.39
Executive Between 30-50	Percentage	56.41
Executive Above 50	Percentage	31.20
Non-executive/Technical Staff Under 30	Percentage	43.68
Non-executive/Technical Staff Between 30-50	Percentage	45.54
Non-executive/Technical Staff Above 50	Percentage	10.78
Gender Group by Employee Category		
Executive Male	Percentage	61.54
Executive Female	Percentage	38.46
Non-executive/Technical Staff Male	Percentage	78.06
Non-executive/Technical Staff Female	Percentage	21.94
Bursa C3(b) Percentage of directors by gender and age group		
Male		
Male	Percentage	88.89
Female		
Female	Percentage	11.11
Under 30		
Under 30	Percentage	0.00
Between 30-50		
Between 30-50	Percentage	11.11
Above 50		
Above 50	Percentage	88.89
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption		
	Megawatt	11,239.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities		
	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")		
	Rate	5.34
Bursa C5(c) Number of employees trained on health and safety standards		
	Number	362
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Executive		
Executive	Hours	2,920
Non-executive/Technical Staff		
Non-executive/Technical Staff	Hours	2,454
Bursa C6(b) Percentage of employees that are contractors or temporary staff		
	Percentage	4.78
Bursa C6(c) Total number of employee turnover by employee category		
Executive		
Executive	Number	28
Non-executive/Technical Staff		
Non-executive/Technical Staff	Number	168
Bursa C6(d) Number of substantiated complaints concerning human rights violations		
	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers		
	Percentage	74.76
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		
	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used		
	Megalitres	105.850000

## Group Sustainability Performance Data

Indicator	Unit	FY2022	FY2023	FY2024
<b>Economic</b>				
Economic Value Generated *	RM'000	69,669	116,036	143,538
Employees (Salary and other benefits)	RM'000	45,380	53,181	75,227
Government (Income tax)	RM'000	2,969	6,182	9,528
Providers of capital (Dividends and finance costs)	RM'000	20,882	22,899	42,420
Community (Donations)	RM'000	670	500	350
Total Economic Value Distributed	RM'000	69,901	82,762	127,525

\*Represents revenue and other income net off operating expenses.

<b>Anti-Corruption</b>				
Confirmed incidents of corruption	No.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	No.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	No.	0	0	0
Public legal cases regarding corruption brought against Atlan or its employees	No.	0	0	0
Political contributions made	RM	0	0	0

<b>Anti-Corruption Training</b>				
Total number of employees that have received training on anticorruption	No.	0	0	82
Total number of executive employees that have received training on anti-corruption	No.	0	0	72
Total number of non-executive employees that have received training on anti-corruption	No.	0	0	10
Total number of governance body members that have received training on anti-corruption	No.	0	0	9

## Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2022	FY2023	FY2024
<b>Economic (Cont'd)</b>				
<b>Anti-Corruption Risk</b>				
Percentage of operations assessed for corruption-related risks	%	100	100	100
<b>Supply-Chain</b>				
Proportion of spending on local suppliers	%	53.41%	58.74%	74.76%
<b>Environmental</b>				
<b>Water</b>				
Total water consumption	m <sup>3</sup>	71,813	84,802	105,849
<b>Energy</b>				
Direct energy *	GJ	5,655	6,962	7,381
Grid electricity *	GJ	24,149	30,964	30,427
Renewable energy	GJ	1,494	1,854	2,653
Grid electricity	kWh	6,708,000	8,601,000	8,452,000
Renewable energy	kWh	415,000	515,000	737,000
Total electricity	kWh	7,123,000	9,116,000	9,189,000
Total electricity	GJ	25,643	32,818	33,080
Total energy	GJ	31,298	39,780	40,461
Energy intensity	MJ/ Revenue (RM'000)	122	104	89
* Conversion coefficients for electricity and diesel to Joules are derived from the Malaysia National Energy Balance 2020 Report.				
<b>GHG Emissions *</b>				
Scope 1 emissions	tCO <sub>2</sub> e	398	490	520
Scope 2 emissions	tCO <sub>2</sub> e	5,085	6,520	6,407
Total operating emissions	tCO <sub>2</sub> e	5,483	7,010	6,926
Emissions intensity	kgCO <sub>2</sub> e/ Revenue (RM'000)	21.31	18.39	15.27
Scope 3: business travel (air) emissions	tCO <sub>2</sub> e	3	7.72	75.39
Scope 3: employee commuting emissions	tCO <sub>2</sub> e	NA	NA	1,881

\* Atlan derived its Scope 1 emissions using IPCC 2006 Guidelines for National Greenhouse Gas Inventories and its Scope 2 emissions from the Energy Commission Grid Emission Factor for Peninsular 2021. Scope 3: Employee commuting and business travel were estimated using the Emission Factors From Cross Sector Tools published by the GHG Protocol.

## Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2022	FY2023	FY2024
<b>Environmental (Cont'd)</b>				
<b>Waste</b>				
Total solid waste disposed/ generated	tonnes	1,647	1,733	1,631
Metal waste (recycled)	tonnes	1,611	1,668	1,583
Carton box (recycled)	tonnes	36	65	48
Total solid waste recycled (diverted from landfill)	tonnes	1,647	1,733	1,631
<u>Scheduled waste</u>				
Paint sludge	tonnes	12	27	12
Total scheduled waste	tonnes	12	27	12
Total waste disposal	tonnes	1,660	1,760	1,643
<b>Social</b>				
<b>Diversity</b>				
Total Headcount	No.	1,053	1,239	1,255
<u>By Gender</u>				
Male	No. (%)	740 (70.3%)	923 (74.5%)	941 (75.0%)
Female	No. (%)	313 (29.7%)	316 (25.5%)	314 (25.0%)
<u>By Age Group</u>				
<30	No. (%)	348 (33.0%)	525 (42.4%)	475 (37.8%)
30-50	No. (%)	529 (50.2%)	550 (44.4%)	597 (47.6%)
>50	No. (%)	176 (16.7%)	164 (13.2%)	183 (14.6%)
<u>By Employment Contract</u>				
Permanent	No. (%)	1,007 (95.6%)	1,197 (96.6%)	1,195 (95.2%)
Contract	No. (%)	46 (4.4%)	42 (3.4%)	60 (4.8%)
<u>By Employment Category</u>				
Executives	No. (%)	229 (21.7%)	192 (15.5%)	234 (18.6%)
Non-executives	No. (%)	824 (78.3%)	1,047 (84.5%)	1,021 (81.4%)

## Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2022	FY2023	FY2024
<b>Social (Cont'd)</b>				
<b>Diversity</b>				
<u>By Ethnicity</u>				
Malay	No. (%)	413 (39.2%)	425 (34.3%)	474 (37.8%)
Chinese	No. (%)	107 (10.2%)	90 (7.3%)	92 (7.3%)
Indian	No. (%)	170 (16.1%)	164 (13.2%)	155 (12.4%)
Others	No. (%)	363 (34.5%)	560 (45.2%)	534 (42.5%)
<u>By Disabilities</u>				
Disabled employees	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
<u>By Gender and Age Group for Each Employment Contract</u>				
<u>Permanent</u>				
Female	No. (%)	299 (29.7%)	324 (27.1%)	876 (73.3%)
Male	No. (%)	708 (70.3%)	873 (72.9%)	319 (26.7%)
<u>&lt;30</u>				
30-50	No. (%)	526 (52.2%)	528 (44.1%)	587 (49.1%)
>50	No. (%)	145 (14.4%)	137 (11.4%)	153 (12.8%)
<u>Contract</u>				
Female	No. (%)	14 (30.4%)	10 (23.8%)	39 (65.0%)
Male	No. (%)	32 (69.6%)	32 (76.2%)	21 (35.0%)
<u>&lt;30</u>				
30-50	No. (%)	8 (17.4%)	2 (4.8%)	20 (33.3%)
>50	No. (%)	9 (19.6%)	9 (21.4%)	3 (5.0%)
>50	No. (%)	29 (63.0%)	31 (73.8%)	37 (61.7%)

## Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2022	FY2023	FY2024
<b>Social (Cont'd)</b>				
<b>Diversity</b>				
<u>By Gender and Age Group for Each Employment Category</u>				
<u>Non-Executive</u>				
Female	No. (%)	227 (27.5%)	236 (22.5%)	224 (21.9%)
Male	No. (%)	597 (72.5%)	811 (77.5%)	797 (78.1%)
<30	No. (%)	327 (39.7%)	494 (47.2%)	446 (43.7%)
30-50	No. (%)	392 (47.6%)	445 (42.5%)	465 (45.5%)
>50	No. (%)	105 (12.7%)	108 (10.3%)	110 (10.8%)
<u>Executive</u>				
Female	No. (%)	86 (37.6%)	80 (41.7%)	90 (38.5%)
Male	No. (%)	143 (62.4%)	112 (58.3%)	144 (61.5%)
<30	No. (%)	21 (9.2%)	31 (16.1%)	29 (12.4%)
30-50	No. (%)	137 (59.8%)	105 (54.7%)	132 (56.4%)
>50	No. (%)	71 (31.0%)	56 (29.2%)	73 (31.2%)
<b>Female Representation in the Management</b>				
Women in Middle Management	%	39.0%	27.9%	31.9%
Women in Senior Management	%	25.0%	31.8%	28.0%
<b>Director diversity</b>				
Total number of directors	No.	10	9	9
<u>By Gender</u>				
Male	No. (%)	10 (100.0%)	8 (88.9%)	8 (88.9%)
Female	No. (%)	0 (0.0%)	1 (11.1%)	1 (11.1%)
<u>By Age</u>				
<30	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
30-50	No. (%)	1 (10.0%)	1 (11.1%)	1 (11.1%)
>50	No. (%)	9 (90.0%)	8 (88.9%)	8 (88.9%)
<u>By Independence</u>				
Independent	No. (%)	6 (60.0%)	5 (55.6%)	5 (55.6%)
Non-Independent	No. (%)	4 (40.0%)	4 (44.4%)	4 (44.4%)

## Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2022	FY2023	FY2024
<b>Social (Cont'd)</b>				
<b>Turnover</b>				
Total turnover	No.(rate *)	246 (22.5%)	306 (26.7%)	196 (15.7%)
<u>Turnover by Gender</u>				
Male	No.(rate *)	146 (18.9%)	221 (26.6%)	136 (14.6%)
Female	No.(rate *)	100 (20.9%)	85 (18.0%)	60 (12.7%)
<u>Turnover by Age Group</u>				
<30	No.(rate *)	143 (37.7%)	163 (37.3%)	121 (24.2%)
30-50	No.(rate *)	64 (12.0%)	111 (20.6%)	54 (9.4%)
>50	No.(rate *)	39 (21.3%)	32 (18.8%)	21 (12.1%)
<u>Turnover by Employment Contract</u>				
Permanent	No.(rate *)	220 (20.9%)	279 (25.3%)	183 (15.3%)
Contract/Temporary	No.(rate *)	26 (60.5%)	27 (61.4%)	13 (25.5%)
<u>Turnover by Employment Category</u>				
Executive	No.(rate *)	49 (20.1%)	55 (26.1%)	28 (13.1%)
Non-executive	No.(rate *)	197 (23.2%)	251 (26.8%)	168 (16.2%)
<i>* Turnover rate is calculated by dividing the employees leaving by the average number of employees for each category.</i>				
<b>New hires</b>				
Total new hires	No.	116	492	196
<u>By gender</u>				
Male	No.	71	396	141
Female	No.	45	96	55
<u>By age</u>				
<30	No.	56	342	148
30-50	No.	38	135	42
>50	No.	22	15	6
<b>Corporate Social Responsibility</b>				
Total contribution to non-profit organisations	RM	670,000	500,000	350,000
Total number of beneficiaries of the investment in communities	No.	539	374	323

## Group Sustainability Performance Data

(Cont'd)

Indicator	Unit	FY2022	FY2023	FY2024
<b>Social (Cont'd)</b>				
<b>Training</b>				
Total training hours	Hours	1,966	6,252	5,374
Total investment in training	RM	26,443	156,159	52,308
<b>Training Hours by Employment Category</b>				
Executive	Hours	608	4,388	2,920
Non-executive	Hours	1,358	1,864	2,454
<b>Training Hours by Gender</b>				
Male	Hours	1,110	2,973	2,874
Female	Hours	856	3,279	2,500
<b>Training Hours by Contract</b>				
Permanent	Hours	1,966	6,244	5,210
Contract	Hours	0	8	164
Average training hours per employee	Hours	2	5	4
Number of training days	Days	108	508	672
<b>Health and Safety</b>				
Number of work-related fatalities	No.	0	0	0
High-consequence injuries	No.	NA	NA	0
Recordable injuries	No.	4	10	6
Recordable work-related ill health cases	No.	0	1	0
Lost Time Incident Rate	Rate *	6.57	22.09	5.34
Number of employees trained on health and safety standards	No.	2	34	362
* Number of lost time injuries in the reporting period / total number of hours worked in the reporting period *200,000.				
<b>Human rights</b>				
Number of substantiated complaints concerning human rights violations	No.	0	0	0
<b>Data Privacy and Security</b>				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0

Note: Percentages might not total 100% due to rounding.

NA: Data not available

# Corporate Governance Overview Statement

The Board of Directors (“Board”) of Atlan Holdings Bhd. (“Atlan” or “the Company”) is pleased to present this Corporate Governance Overview Statement (the “Statement”) to provide an overview of the Corporate Governance practices adopted by the Company in achieving the intended outcomes as set out in the latest Malaysian Code on Corporate Governance (“MCCG”) with reference to the following three (3) key principles, under the stewardship of the Board:

- (a) Principle A : Board Leadership and Effectiveness;
- (b) Principle B : Effective Audit and Risk Management; and
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement outlines the corporate governance practices adopted by the Board of the Company during the financial year ended 29 February 2024 (“FY2024”), where possible, and applicable laws to be a dynamic framework within which the Group would conduct its businesses.

This Statement also serves as a compliance with Paragraph 15.25(1) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read together with the Corporate Governance Report of the Company for the FY2024 published on the Company’s website at <https://www.atlan.com.my> and Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART 1 - BOARD RESPONSIBILITIES

#### Intended Outcome 1.0

- **Every company is headed by a Board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.**

#### 1.1 Strategic aims, values and standards

The Board is responsible for the leadership, oversight and overall management of the Company. An effective Board is one made up of a combination of the Executive Chairman and Executive Director with intimate knowledge of the business and Non-Executive Directors from diversified industry/ business backgrounds to bring wide-ranging business and commercial experience to the Group. The Board has the overall responsibility for corporate governance, establishing goals, strategies and direction, reviewing the Group’s performance and critical business issues and ultimately the enhancement of long-term shareholders’ value. It monitors and delegates the implementation of the strategic direction to the management.

The Directors collectively, with their different backgrounds and specialisations, bring with them a diverse wealth of experience and expertise in areas such as business, finance, legal, regulatory and operations which is relevant to the Group. A brief profile of each individual Director is set out in this Annual Report.

## Corporate Governance Overview Statement

(Cont'd)

At each Audit and Risk Management Committee (“ARMC”) meeting and Board meeting, and as and when the need arises, the respective personnel from the Management would brief the Directors on current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and development of the Group, and to discuss and advise the Management in its formulation of the Group’s business strategies, both short-term and long-term. Discussions would include the deployment of resources efficiently and effectively in achieving the objectives to be met. In making its decisions, the Board would be guided by the Group’s values and standards.

The Board’s role is to oversee the performance of the Management to determine whether the business is properly managed. The Board gets updates from Management at the quarterly Board meetings when reviewing the quarterly results. During such meetings, the Board participates actively in the discussion on the performance of the Company and the Group, and also assesses the performance of the Management.

The Board has a formal schedule of matters reserved for its decision which includes, among others, the following: -

- i) Reviewing and adopting strategic plans for the Company and the Group to enhance future growth;
- ii) Reviewing and evaluating key policies adopted by the Company and the Group;
- iii) Overseeing the conduct of the Group’s businesses to evaluate whether the businesses are being properly managed;
- iv) Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- v) Reviewing the adequacy and integrity of the Group’s internal control systems and management information systems;
- vi) Establishing Board committees and be responsible for all decisions made by the committees;
- vii) Reviewing and approving unaudited quarterly results and audited financial statements;
- viii) Ensuring all candidates appointed to senior management positions are of sufficient caliber and satisfied that there are programmes in place to provide for the orderly succession of senior management; and
- ix) Overseeing the development and implementation of shareholder communications policy for the Company.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and responsibilities to the following respective Board Committees: -

- Nomination Committee;
- Remuneration Committee; and
- ARMC.

The Board Committees assist the Board in overseeing the Company and Group’s affairs and deliberate on issues within the respective functions and respective terms of reference. These terms of reference clearly outline the objectives, duties and powers of each Board Committee. The Chairman of each Board Committee will report to the Board key issues deliberated at the respective Committee’s meetings.

## Corporate Governance Overview Statement

(Cont'd)

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### 1.2 The Chairman of the Board

The Board is helmed by the Executive Chairman, Dato' Sri Adam Sani Bin Abdullah who demonstrates strong leadership and oversees the effectiveness of the Board. Dato' Sri Adam Sani Bin Abdullah works closely with the rest of the Board members in forming policies and strategies to align business activities driven by the Management team.

The responsibilities of the Chairman are clearly defined in the Board Charter, which include, but not limited to, the following: -

- To provide leadership to the Board, and oversee the effective discharge of its fiduciary duties;
- To set the agenda for Board Meetings and ensure efficient and effective conduct of the Board Meetings;
- To ensure that complete and accurate information to facilitate decision-making is provided to the Board members in a timely manner;
- To lead Board Meetings and encourage active participation and allow dissenting views to be freely expressed;
- To promote constructive and respectful relations among Board members and manage the interaction between the Board and Management;
- To ensure that appropriate steps are taken to facilitate effective communication with stakeholders and that their views are communicated to the Board as a whole; and
- To lead the Board in establishing and monitoring good corporate governance in the Company.

### 1.3 Separation of the positions of Chairman and Chief Executive Officer (“CEO”)

The Executive Chairman of the Board and the Executive Director are held by two (2) different individuals with clearly defined divisions of power and responsibilities as outlined in the Board Charter. The position of Executive Director is held by Mr. Lee Sze Siang. This is to ensure a balance of power and authority, such that no one (1) individual has unfettered powers of decision-making.

The Executive Chairman is responsible for leading the Board in its collective oversight of Management and ensuring the effectiveness of Board matters, while the Executive Director is responsible for implementing the policies and strategies approved by the Board for the purposes of running the business and managing the Company's day-to-day operations. These divisions of responsibilities are set out in the Company's Board Charter.

### 1.4 Chairman and Board Committees

The Chairman of the Board, Dato' Sri Adam Sani Bin Abdullah is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.

### 1.5 The Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries as per Section 235(2)(a) of the Companies Act 2016 registered with the Companies Commission of Malaysia and are Fellow members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (“MAICSA”).

## Corporate Governance Overview Statement

(Cont'd)

The Board has ready and unrestricted access to the advice and services of the Company Secretaries, who are considered capable of carrying out the duties associated with their position.

In performing their duties, the Company Secretaries carry out, amongst others, the following tasks:-

- Statutory duties as required under the Companies Act 2016, Listing Requirements of Bursa Securities and Capital Market and Services Act 2007;
- Facilitating and attending Board Meetings and Board Committee Meetings, respectively;
- Facilitating and attending the General Meeting(s);
- Ensuring that Board Meetings and Board Committee Meetings are properly convened, and the proceedings are properly recorded;
- Ensuring timely communication of the Board level decisions to the Management for further action;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;
- Maintaining records for the purpose of meeting statutory obligations of applicable jurisdictions;
- Facilitating the provision of information as may be requested by the Directors from time to time in a timely manner and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;
- Assisting the Company on the lodgements of documents with relevant statutory and regulatory bodies;
- Assisting the Board with the preparation of announcements for release to Bursa Securities; and
- Rendering advice and support to the Board and Management.

The Company Secretaries keep the Board abreast of the latest regulatory updates and also ensure that deliberations at Board and Board Committee meetings are well documented.

During FY2024, the Company Secretaries discharged their duties and responsibilities accordingly, and they had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions and duties.

### 1.6 Meeting materials

The Board meets at least once every quarter, to consider all matters relating to the overall control, business performance and strategy of the Company and the Group. Additional meetings will be called when necessary.

All Board and Board Committee meetings and the Annual General Meeting ("AGM") for each financial year are scheduled before the end of the preceding financial year to ensure sufficient time is given to the Directors to plan their schedules and enables them to attend the meetings.

## Corporate Governance Overview Statement

(Cont'd)

Prior to the scheduled meeting, Directors will be provided with a structured agenda together with management reports and proposal papers in a timely manner. All Directors have full and timely access to information through the Board papers distributed in a timely manner prior to the Board meetings. The Board papers provide, among others, periodic financial information, annual budget, operational and corporate issues, investment proposals and Management proposals that require Board's approval.

Management staff may be invited to attend Board meetings to provide the Board with detailed explanations and clarifications on certain matters that are tabled to the Board. All Directors have unrestricted access to information within the Group. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Group's operations or business concerns from them. In this way, the Board has full access to all information on the Company and the Group's affairs to enable the proper discharge of duties.

All deliberations and decisions made at the Board meetings are recorded by the Company Secretaries including whether any Directors abstained from voting or deliberating on a particular matter. Minutes of the meeting are circulated to the Board and the Management for review and comments in a timely manner before the minutes of the last Board meeting are confirmed at the next Board meeting.

All minutes of the Board or Board Committee meetings are approved by the respective Board and Board Committees and the Chairman of the respective Board or Board Committees signs the Minutes as accurate record. These documents are kept in the Minutes Books at the registered office of the Company to be made available for inspection.

Directors are expected to give sufficient time and attention to carry out their responsibilities. For FY2024, the Board held 5 meetings and the attendance record of the Directors was satisfactory. This is evidenced by the attendance record of the Directors at the Board meetings as set out below: -

Directors	Attendance during tenure in office
1. Dato' Sri Adam Sani Bin Abdullah	5/5
2. Dato' Sri Robin Tan Yeong Ching	4/5
3. Dato' Woo Hon Kong	5/5
4. Lee Sze Siang	5/5
5. Tan Thiam Chai	5/5
6. Tuan Haji Mohd Jaffar Bin Awang (Ismail)	5/5
7. Raja Dato' Sri Shahrudin Shah Bin Raja Jalil Shah	5/5
8. Dato' Dr. Abdul Razak Bin Abdul	5/5
9. Datuk Zawati Binti Abd Rahman	5/5

For FY2024, all the Directors have complied with the minimum 50% attendance requirement in respect of the Board Meeting as stipulated in the Listing Requirements of Bursa Securities. In the intervals between Board Meetings, for any matters requiring the Board's decisions, the Board's approvals are obtained by way of resolution in writing. The resolutions passed by way of such resolutions are then noted at the next Board Meeting.

## Corporate Governance Overview Statement

(Cont'd)

### Intended Outcome 2.0

- **There is demarcation of responsibilities between the board, board committees and management.**
- **There is clarity in the authority of the board, its committees and individual directors.**

### 2.1 Board Charter

The Board understands the importance of the roles and responsibilities between the Board and Management. The Board has a Board Charter, which includes a formal schedule of matters reserved for the Board. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties.

The Board Charter of the Company encompasses the governance and structure of the Board, authority, major responsibilities and terms of reference of the Board and Board Committees, matters reserved for the Board, and guidance on the Board's conduct.

The Board reviews the Board Charter periodically, to ensure it remains relevant and effective at the prevailing time and business environment. The Board Charter was last reviewed and approved by the Board on 27 April 2023.

The Board Charter is available on the Company's website at <https://www.atlan.com.my>.

### Intended Outcome 3.0

- **The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**
- **The Board, management, employees and other stakeholders are clear on what is considered acceptable behavior and practice in the company.**

### 3.1 Code of Conduct and Ethics

The Board has established and implemented policies to guide Directors, employees and stakeholders that engender integrity, transparency and fairness. This is to actively nurture a strong corporate culture throughout the Group which promotes commitment to performance with integrity.

Employees are introduced to the ethical corporate culture of the Group during employee induction and thereafter, employees are constantly monitored to ensure the culture is upheld in their dealings within the Group and also in their association with customers, distribution, suppliers, governmental and regulatory authorities and other business associates. Any employee may report directly to the Executive Chairman any ethical misconduct discovered within the Group.

## Corporate Governance Overview Statement

(Cont'd)

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The members of the Board conduct themselves in an ethical manner while executing their duties and functions and comply with the Company's Code of Conduct and Ethics.

In addition to the Company's Code of Conduct and Ethics, the Group also gives emphasis on the behavioral ethics and conduct that sets out the sound principles and standards of good practice within the Group's business landscape, which are expected to be observed by the Directors and employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with various stakeholders such as shareholders, customers, fellow employees and regulators.

The Company's Code of Conduct and Ethics is available on the Company's website at <https://www.atlan.com.my>.

### **3.2 Whistleblowing Policy and Anti-Bribery and Corruption Policy & Guidelines**

The Group has adopted a whistleblowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they may become aware. If such an event occurs, the policy ensures that: -

- (i) Independent investigations are carried out in an appropriate and timely manner;
- (ii) Appropriate action is taken to correct any weaknesses in internal controls and policies which enabled the perpetration of fraud and/or misconduct so as to prevent future recurrences; and
- (iii) Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistleblowing in good faith and without malice.

In line with the Listing Requirements of Bursa Securities in relation to anti-corruption measures, an Anti-Bribery and Corruption Policy & Guidelines has been adopted by the Group which sets out the parameters and guidelines to prevent the occurrence of bribery and corrupt practices and to maintain integrity and work ethics in the conduct of the Group's business and operations. The Anti-Bribery and Corruption Policy & Guidelines provides guidance to all employees and associates of the Group relating to acts of bribery and corruption.

The whistleblowing policy and Anti-Bribery and Corruption Policy & Guidelines are published on the Company's website at <https://www.atlan.com.my>.

## Corporate Governance Overview Statement

(Cont'd)

### Intended Outcome 4.0

- **The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.**

#### 4.1 Governance of Sustainability

The Board considers sustainability a part of its strategic formulation and in determining material Economic, Environmental, Social and Governance (“EESG”) factors of the Group. The Board is responsible for overseeing the development and adoption of a sustainability framework. These sustainability efforts are steered and implemented by the Executive Director and the Sustainability Working Group. The Sustainability Working Group manages the day-to-day sustainability projects and initiatives, and also ensures the Key Business Functions are able to complete their plans, meet their timelines and provide accurate information for sustainability disclosure.

#### 4.2 Communication of Company’s Sustainability Strategies, Priorities, Targets and Performance

In determining the Company’s long-term strategy and success, the Board ensures that the sustainability strategies, priorities and targets are communicated well to the internal and external stakeholders. In order to communicate these updates to the stakeholders, a comprehensive description of the Company’s sustainability path has been outlined in the annual Sustainability Statement which is part of the Company’s Annual Report. This information is accessible both in hard copy and on the Company’s website. The Sustainability Statement is on pages 29 to 73 of the Annual Report 2024.

#### 4.3 Board keeps abreast of the relevant Sustainability Issues

The Board will take part in initiatives to stay abreast of sustainability issues relevant to the Group and the industry. The Board will also take the necessary steps to undertake professional training, development programmes, and activities related to sustainability and governance issues which will include climate-related risks and opportunities.

#### 4.4 Performance Evaluation of Board and Senior Management

The Board recognises the importance of sustainability in all its business operations and has included the review of efforts to address material sustainability risks and opportunities as a vital criterion in the performance evaluation of its board members in FY2024. The criteria set were broadly based on the assessment framework by the MCCG and the Listing Requirements of Bursa Securities.

#### 4.5 Sustainability Strategy (Step Up)

The Executive Director is the designated person to ensure that the sustainability framework is adhered to within the Group and continuously engages with relevant internal and external stakeholders such as employees, customers, suppliers, regulators, investors, industry associations and the community to ensure the Group’s sustainability focus areas remain relevant and also to identify new ones that could add value to the businesses and stakeholders.

## Corporate Governance Overview Statement

(Cont'd)

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### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

#### PART 2 - BOARD COMPOSITION

##### Intended Outcome 5.0

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- **Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.**

#### 5.1 Board Appointment

#### 5.2 Board Composition

The Board currently comprises five (5) Independent Non-Executive Directors including a Senior Independent Director, two (2) Non-Independent Non-Executive Directors and two (2) Executive Directors. Accordingly, the following prescribed requirements have been fully complied by the Board: -

- Paragraph 3.04(1) of the Listing Requirements of Bursa Securities which stipulates that at least 2 directors or 1/3 of the board of directors, whichever is the higher, are independent directors; and
- Practice 4.1 of the MCGG, where at least half of the board comprises Independent Directors.

The Independent Non-Executive Directors of the Company are independent of management and free from any business relationship which could materially interfere with the exercise of their judgment. They provide guidance, unbiased, fully balanced and independent views, advice and judgment on various aspects of the Group's strategy to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity were maintained by the Group.

The Board places great importance on its Independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders. The Independent Non-Executive Directors are professionals of high caliber and credibility who play a pivotal role in corporate accountability by contributing their knowledge, advice and experience towards making independent judgment on issues of strategies, performance, resources and standards of conducts.

Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to approval by the Board. None of the members of the Board has unfettered powers of decision. All Independent Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationship with the Group.

The Board is satisfied that the Independent Directors represent the interest of public shareholders in the Company and the Board has appointed Tuan Haji Mohd Jaffar Bin Awang (Ismail) as the Senior Independent Non-Executive Director, who acts as:

- A sounding board for the Chairman;
- An intermediary for other Directors when necessary; and
- The point of contact for shareholders and other stakeholders in cases of query or concern raised.

## Corporate Governance Overview Statement

(Cont'd)

### 5.3 Tenure of independent director

#### 5.4 Policy on Tenure of independent director

The Board is mindful that the recommendation of Practice 5.3 of the MCCG which require the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice.

The Board through the Nomination Committee assesses the Independent Directors on an annual basis, with a view of ensuring the Independent Directors bring independent and objective judgment to the Board and this mitigates arising from conflict of interest or undue influence from interested parties. Where there is a likely conflict of interest, the Board would take appropriate action to rectify the situation. Should any Director have an interest in any matter under deliberation, he/she is required to disclose his/her interest and abstain from participating discussions on the matter.

In ascertaining the independence status of the Directors, the Board believes that tenure should not form part of the assessment criteria. It is of the view that the fiduciary duties of Directors are the primary concern of all Directors, regardless of their status. The Board firmly believes that the ability of a Director to serve effectively is dependent on his/her calibre, qualification, experience and personal qualities, particularly his/her integrity and objectivity. It also believes there are significant advantages to be gained from long-serving Directors who possess insight and knowledge of the Company's business and affair in view of the continuous challenges faced by the Company.

Dato' Woo Hon Kong ("Dato' Woo") was appointed to the Board as an Independent Non-Executive Director on 16 May 2014 and his tenure in office has been more than nine (9) years but less than twelfth (12) years.

Both the Nomination Committee and the Board on 25 April 2024 assessed the independence of Dato' Woo, were satisfied with his skills, contribution and independent judgements. Besides, Dato' Woo remained objective and independent in expressing his views and in participating in deliberation and decision making of the Board and Board Committees. His length of service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company. In addition, Dato' Woo has confirmed and declared in writing that he is Independent Director and has satisfied all the criteria of an Independent Director as set out in Paragraph 1.01 of the Listing Requirements of Bursa Securities.

The Nomination Committees and Board reviewed and assessed on the application of two-tier voting as recommended by MCCG. However, it is noted that the Company will seek shareholders' approval for retaining Dato' Woo who has served more than nine (9) years as Independent Director through the usual voting practice at this forthcoming 35<sup>th</sup> AGM. This is in accordance with the general rule of voting as provided by the Companies Act 2016 which states that every shareholder has one (1) vote for every share he holds and resolutions are to be passed by a simple majority for Ordinary Resolutions and 75% of votes for Special Resolutions.

In this respect, the Company will be seeking shareholders' approval at this forthcoming 35<sup>th</sup> AGM to retain Dato' Woo as Independent Director of the Company via the single tier voting process.

## Corporate Governance Overview Statement

(Cont'd)

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### 5.5 Appointment of Board and Senior Management

The Board endeavours to ensure that it consists of individuals with a diverse background equipped with professional and technical knowledge to effectively carry out its roles as the representative to the interests of shareholders.

The Nomination Committee is mindful of its responsibilities to conduct all Board appointment processes through various approaches in a manner that promotes diversity in the Board which can offer greater depth, breadth and lead to better decisions made while taking into account suitability for the role. It will also take into consideration Board balance and composition, the required mix of skills, the candidates' background, knowledge, integrity, competency, experience and potential contribution to the Group. In the case of candidates for the position of Independent Director, the Nomination Committee will also evaluate each candidate's ability to discharge responsibilities and functions as expected from an Independent Director.

A Directors' Fit and Proper Policy has been established to guide the Nomination Committee in the review and assessment of candidates who are to be appointed to the Board as well as Directors who are seeking re-election or re-appointment.

The Board, through the Nomination Committee, considers annually the time commitment expected from each Director to meet the expectations of their role. The Board is also expected to attend the AGM, engage with stakeholders and participate in the Board evaluation process.

Currently, several Directors hold more than two external appointments. The Board has considered these external commitments, taking into account the time commitment required for each role, and is satisfied they do not impact upon the individual Board members' ability to discharge their responsibilities fully and effectively. As evidenced in this statement, in FY2024, the majority of the Directors have attended all the Board and Board Committees meetings of the Company.

### 5.6 Identify Candidates for Board Appointment

The Board is responsible for the appointment of new Directors. The Nomination Committee is delegated with the role of screening and conducting initial selections, which may include external searches, before making a recommendation to the Board.

The Nomination Committee is also empowered to bring to the Board, recommendations as to the appointment of any new director or to fill board vacancy as and when it arises. In making its recommendation, the Nomination Committee will consider the required mix of skills, knowledge, expertise, experience and other qualities, including core competencies which Directors of the Company should bring to the Board. The Nomination Committee has the authority to obtain the services of professional recruitment firms to source candidates for directorship or seek independent professional advice whenever necessary.

## Corporate Governance Overview Statement

(Cont'd)

The duties and functions of the Nomination Committee are as follows: -

When reviewing the recommended candidates to the Board, the Committee considers the candidate's: -

- i) Skills, knowledge, expertise and experience;
  - ii) Competencies, time commitment, contribution and performance;
  - iii) Professionalism;
  - iv) Integrity;
  - v) Boardroom diversity including gender, skills, experience, age, cultural background, and other factors that will best qualify a nominee to serve on the Board;
  - vi) Criteria set out in the Directors' Fit and Proper Policy;
  - vii) Any business interest or relationship that may result in a conflict of interest that could affect the execution of the role; and
  - viii) In the case of the candidates for the position of Independent Non-Executive Directors, the Committee should also evaluate the candidate's ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors;
- To consider, in making recommendations, candidates for directorships proposed within the bounds of practicability, by any senior executive or any director or shareholder;
  - To ensure the board composition meets the needs of the Company;
  - To develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors;
  - To recommend to the Board, directors to fill the seats on board committees;
  - To review its required mix of skills and experience and other qualities, including core competencies which Directors of the Company should bring to the Board;
  - To annually assess the effectiveness of the Board as a whole and assess the contribution of each individual director, including Independent Non-Executive Directors, as well as the chief executive officer and key officers;
  - To review the justifications and recommend to the Board to seek shareholders' approval where an independent director is retained as an independent director after his tenure has exceeded a cumulative term of nine (9) years up to the term of twelve (12) years;
  - To review the re-appointment and re-election of Directors of the Company. The review shall take into consideration the criteria set out in the Directors' Fit and Proper Policy and shall be contingent upon the satisfactory evaluation of their performance and contribution to the Board;
  - To facilitate board induction and training programmes;
  - To review the term of office and performance of ARMC and each of its members annually;
  - To give consideration to succession planning for Directors and other Senior Management, taking into account the challenges and opportunities facing the Group and the skills, expertise and gender diversity needed on the Board and the Senior Management in the future.

### 5.7 Re-election of Directors at the general meeting

The performance of retiring Directors recommended for re-election at the 34<sup>th</sup> AGM had been assessed through the Board's annual evaluation (including the independence of Independent Non-Executive Directors). A statement by the Board and Nomination Committee being satisfied with the performance and effectiveness of the retiring Directors who offered themselves for re-election at the 34<sup>th</sup> AGM has been stated in the explanatory notes of the Notice of 34<sup>th</sup> AGM.

## Corporate Governance Overview Statement

(Cont'd)

The retiring Directors at the 34<sup>th</sup> AGM pursuant to Regulation 100 of the Constitution were Tuan Haji Mohd Jaffar bin Awang (Ismail), Dato' Woo Hon Kong and Mr. Lee Sze Siang ("Retiring Directors"). All of them have consented to continue in office and accordingly offered themselves for re-election at the 34<sup>th</sup> AGM.

After assessing the contributions of the Retiring Directors in terms of guidance and time devoted to the Board affairs and in virtue of their skills and experience respectively, the Nomination Committee had recommended the re-election of Retiring Directors at the 34<sup>th</sup> AGM.

The Board, being satisfied with the justification and criteria based on the recommendation of the Nomination Committee, had sought the shareholders' approval at the 34<sup>th</sup> AGM of the Company.

### 5.8 Nomination Committee

The Nomination Committee is governed by its terms of reference which is available on the Company's website at <https://www.atlan.com.my>.

The Nomination Committee of the Company comprises exclusively of Independent and Non-Executive Directors. The Nomination Committee is chaired by the Senior Independent Director. Its composition is as follows: -

Position	Name	Directorship
Chairman	Tuan Haji Mohd Jaffar Bin Awang (Ismail)	Senior Independent Non-Executive Director
Member	Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah	Independent Non-Executive Director
Member	Dato' Dr Abdul Razak Bin Abdul	Independent Non-Executive Director

Tuan Haji Mohd Jaffar Bin Awang (Ismail) was appointed by the Board as the Senior Independent Director based on his experience with the Board and strong comprehension of the Company's governance issues. His collective tenure in the Company accords familiarity with the workings of the Board and its individual members. He is respected by the other Board members as he has consistently been conscientious in preserving the interest of the Company first and foremost throughout his tenure as a director.

In line with the amendment of Listing Requirements of Bursa Securities and the establishment of the Directors' Fit and Proper Policy, the terms of reference of the Nomination Committee have been revised and updated on 27 April 2023.

## Corporate Governance Overview Statement

(Cont'd)

The Nomination Committee undertook the following activities during the FY2024: -

- (i) Facilitated self and peers' assessments on ARMC members;
- (ii) Reviewed the effectiveness of the ARMC as a whole;
- (iii) Reviewed the effectiveness of individual directors and the Board as a whole;
- (iv) Conducted annual review of the composition of the Board and all Board Committees having regard to the mix of skills, character, experience, integrity, competence and time commitment rendered;
- (v) Reviewed the independence of Independent Directors;
- (vi) Reviewed the required mix of skills, experience and other qualities of the Board;
- (vii) Reviewed and recommended to the Board, the re-election of the Directors who were subject to retirement at the 34<sup>th</sup> AGM held on 27 July 2023;
- (viii) Reviewed the terms of reference of the Nomination Committee;
- (ix) Reviewed the Directors' Fit and Proper Policy; and
- (x) Reviewed and recommended to the Board, to retain the Independent Director, Dato' Woo Hon Kong, who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years for shareholders' approval at the 34<sup>th</sup> AGM.

The Directors are mindful that they should receive appropriate continuous training to further enhance their skills and knowledge. Accordingly, the Company organises trainings on a regular basis for the Board to ensure they are kept up to date on relevant developments.

Some of the seminars and briefings attended by the Directors during FY2024 to broaden their perspectives and to keep abreast with the changes in the guidelines issued by the relevant authorities as well as the latest developments in the market place were as follows: -

- Fraud Risk and Enterprise Risk;
- Anti Bribery & Anti Corruption Awareness Programme;
- Mandatory Accreditation Programme Part II: Leading for Impact (LIP);
- Monaco Economic Forum 2023; and
- Environmental, Social and Governance | IFRS S1 and S2: Beyond Compliance

The Company Secretaries circulate relevant guidelines on statutory and regulatory requirements from time to time to the Board for reference. During FY2024, the Directors were updated on the amendments to the Listing Requirements of Bursa Securities in relation to the conflict of interest, and sustainability training for Directors, briefings by the external auditors, communications with other Directors, as well as information updates by the Management on the relevant industries throughout the financial year.

The external auditors also briefed the Board members on the changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during FY2024.

Upon review, the Board concluded that the Directors' training for FY2024 was adequate.

## Corporate Governance Overview Statement

(Cont'd)

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### 5.9 Diversity of Board and Senior Management

The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either the Board or Senior Management team shall be given fair and equal treatment.

Notwithstanding the Board not having any formalised board diversity policy or gender diversity policy, the Board practices non-gender discrimination and endeavours to promote workplace diversity and supports the representation of women in the composition of the Board and Senior Management positions of the Company.

The Board believes that it is not detrimental to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group.

Nonetheless, the Group is an equal opportunity employer and all appointments to the Board and employment of senior management are based on objective criteria, merit, skills and experience, and are not driven by any age, cultural background or gender considerations.

The Board is satisfied with the composition of its members and is of the view that with the current mix of competency, experience, skill and knowledge, the Board is able to discharge its duties effectively and efficiently.

At present, the members of the Senior Management team are equipped with diverse skills, expertise and industry experience to lead the business direction of the Group.

The Board is committed to provide fair and equal opportunities within the Group and acknowledges the importance of boardroom and workplace diversity. The Group is committed to workplace diversity and that the workplace is fair, accessible, inclusive and free from discrimination.

### 5.10 Gender diversity

As mentioned above, the Board did not set specific targets on gender diversity for the Company but endeavours to improve the number of women directors on the Board, based on pre-determined skill sets and competencies. Datuk Zawati Binti Abd Rahman was appointed as an Independent and Non-Executive Director of the Company on 19 April 2022. The Board now complies with Paragraph 15.02 (1)(b) of the Listing Requirements of Bursa Securities.

Nevertheless, the consideration of women's representation on the Board and in senior management positions will be prioritized, and efforts will be made to identify suitable candidates. This commitment is rooted in the primary objective of selecting the most qualified candidate who can effectively contribute to the Company's strategic objectives.

## Corporate Governance Overview Statement

(Cont'd)

**Intended Outcome 6.0**

- **Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.**

**6.1 Annual assessment of the Directors, Board as a whole and Board Committees**

The Nomination Committee is required to assess the Board's effectiveness in terms of its composition, the roles and responsibilities, and whether the Board Committees have discharged their functions and duties in accordance with the terms of reference. The Nomination Committee assesses on an annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. All assessments and evaluations carried out by the Nomination Committee in discharging its functions have been well documented.

During FY2024, the Board, through the Nomination Committee, conducted the following annual assessment of the Directors and the effectiveness of the Board as a whole: -

- i. Evaluation on the effectiveness of the Board as a whole and Board Committees;
- ii. Assessment of Independent Directors;
- iii. Review of the term of office and performance of the ARMC and each of its members; and
- iv. Re-election of the retiring Directors.

Based on the aforesaid evaluations conducted in the FY2024, the Nomination Committee was satisfied with the performance of the Independent Directors, the Board Committees, and the Board as a whole.

Upon the recommendation by the Nomination Committee of the proposed re-election of the relevant Directors, the Board recommended and supported the re-election of the relevant Directors to be tabled at the 35<sup>th</sup> AGM for shareholders' approval.

## Corporate Governance Overview Statement

(Cont'd)

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### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

#### PART 3 - REMUNERATION

##### Intended Outcome 7.0

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- **The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.**
- **Remuneration policies and decisions are made through a transparent and independent process.**

#### 7.1 Remuneration Policy

In general, the remuneration is structured to link rewards to corporate and individual performance, as in the case of the Executive Directors and Senior Management. The Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

The Board does not have any formal remuneration policy for Directors and Senior Management in place for the time being. Notwithstanding that, in determining the remuneration packages of Executive Directors and Senior Management, the Remuneration Committee had considered the compensation and benefits which commensurate with the level of the Executive Directors and Senior Management's responsibilities and performance, as well as taking into consideration the Group's performance relative to the industry. The Executive Chairman and Executive Director are not entitled to annual fees nor receive any meeting allowances for the Board and Board Committees Meetings they attend.

The Board collectively determines the remuneration for the Non-Executive Directors to ensure it is appropriately reflective of experience and the level of responsibilities and contributions including the number of scheduled meetings for the Board and Board Committees; at the same time benchmarking against prevalent market practices. Each of the Non-Executive Directors abstains from deliberating and voting on his/her own remuneration.

#### 7.2 Remuneration Committee

The Remuneration Committee is primarily responsible for recommending the policy and framework for the remuneration of the Directors and senior management, including the terms and remuneration of the Executive Director(s), to the Board in order to align with the business strategy and long-term objectives of the Company.

## Corporate Governance Overview Statement

(Cont'd)

The Remuneration Committee of the Company comprises solely of Independent Non-Executive Directors. Its composition is as follows:-

Position	Name	Directorship
Chairman	Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah	Independent Non-Executive Director
Member	Tuan Haji Mohd Jaffar Bin Awang (Ismail)	Senior Independent Non-Executive Director
Member	Dato' Dr Abdul Razak Bin Razak	Independent Non-Executive Director

The remuneration of Directors and senior management is determined at levels that enable the Company to attract and retain Directors and senior management with the relevant experience and expertise to govern the Group effectively.

For FY2024, the Remuneration Committee conducted its annual assessment of the remuneration package of the Executive Chairman, Executive Director and Senior Management.

In addition, the Remuneration Committee also deliberated on the Directors' fees for FY2024 which is subject to the shareholders' approval at the forthcoming 35<sup>th</sup> AGM.

### Intended Outcome 8.0

- **Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.**

#### 8.1 Details of the remuneration of Directors

Pursuant to Section 230 of the Companies Act 2016, the fees of the Directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting.

For FY2024, the Board decided that the Directors' fees for FY2024 be maintained as the previous financial year for Non-Executive Directors and be recommended to the shareholders' approval at the forthcoming 35<sup>th</sup> AGM.

In addition, the Directors are covered by the Directors' & Officers' Liability Insurance, which protects them against liabilities arising from acts committed in their capacity as directors and officers of the Atlan Group, subject to certain conditions including the absence of negligence, fraud, dishonesty, or breach of duty of trust.

## Corporate Governance Overview Statement

(Cont'd)

The relevant resolutions in relation to the Non-Executive Directors' remuneration payable to the respective Directors are to be presented to the shareholders for approval at the forthcoming 35<sup>th</sup> AGM.

A summary of each individual Directors' remuneration (including benefit-in-kind) in the Company for services rendered to the Group for FY2024 is set out in the Corporate Governance Report which is available on the Company's website at <https://www.atlan.com.my>.

### 8.2 Remuneration of Senior Management

In determining the remuneration packages of Senior Management personnel, factors that are taken into consideration included their individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration packages are competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

The Company believes it may not be in its best interest to disclose the information on the remuneration on the named basis of each member of the Senior Management Personnel, having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business activities.

The remuneration of Senior Management Personnel is a combination of annual salary, bonus and benefits-in-kind which are determined in a similar manner as other management employees of the Group. The basis of determination has been consistently applied and is based on individual performance, the overall performance of the Group and also benchmarked against other companies operating in similar industry.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 1 - AUDIT COMMITTEE

#### Intended Outcome 9.0

- **There is an effective and independent Audit Committee.**
- **The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statements is a reliable source of information.**

#### 9.1 The Chairman of the Audit Committee is not the Chairman of the Board

The Company complied with Practice 9.1 of the MCGG which stipulates that the Chairman of the Audit Committee is not the Chairman of the Board. This ensures that the objectivity of the Board's review of the ARMC's findings and recommendations is not impaired.

The ARMC is chaired by an Independent Non-Executive Director, Dato' Dr Abdul Razak Bin Abdul, who fulfills other requirements as prescribed by the Bursa Securities.

## Corporate Governance Overview Statement

(Cont'd)

### 9.2 Former audit key partner

To safeguard the independence of the audit and avoid potential threats that may arise when a former key audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements, the terms of reference of the ARMC require a former key audit partner of the Company's external auditors to observe a minimum three (3) years cooling-off period before being appointed as a member of the ARMC.

However, none of the ARMC members were former key audit partners of the Company or the Group.

### 9.3 Suitability, objectivity and independence of the external auditor

The ARMC has assessed the suitability, objectivity and independence of the External Auditors to safeguard the quality and reliability of audited financial statements. Assessment is conducted on a yearly basis by the ARMC, using the prescribed External Auditors Evaluation Form, with emphasis on evaluation based on competence, adequacy of experience and resources, quality of the audit performances, independence and objectivity of the External Auditors, reasonableness of audit fees and comparison of audit and non-audit fees.

The ARMC obtained a written assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the results of the evaluation, the ARMC is satisfied with the performance of the External Auditors, their adequacy of experience, resources and the professional staff assigned to the audit of the Group. The Board has accepted the recommendation of the ARMC for the re-appointment of Messrs. Ernst & Young PLT as External Auditors of the Company for the ensuing financial year at the upcoming AGM of the Company.

### 9.4 Composition of the Audit Committee

The ARMC comprises solely Independent Directors.

This is in compliance with Paragraph 15.09(1)(c) of the Listing Requirements of Bursa Securities, which stipulates that "all the audit committee members must be non-executive directors, with a majority of them being independent directors".

The Company has adopted Practice 9.4 of the MCCG which recommends that the Audit Committee should comprised solely of Independent Directors.

### 9.5 Qualification of the Audit Committee

The Board has ensured that the ARMC as a whole is financially literate and has sufficient understanding of the Group's business and matters under the purview of the ARMC, including the financial reporting process.

All ARMC members are financially literate, and its composition and performance are reviewed by the Nomination Committee annually and recommended to the Board for its approval.

## Corporate Governance Overview Statement

(Cont'd)

Among the ARMC members, the Chairman fulfils such other requirements as prescribed by Bursa Securities. This meets the requirements of Paragraphs 15.09(1) and (2) of the Listing Requirements.

ARMC members acknowledge the need for continuous education and training. For the financial year under review, members of the ARMC attended training on the developments in accounting and auditing standards, practices and rules and have continuously kept themselves abreast of the relevant development through the updates and briefings by the external auditors and the Management.

All ARMC members attended at least one training in FY2024 relevant to accounting and auditing standards, practices and rules to enhance their professional development.

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART 2 - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### Intended Outcome 10.0

- **Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**
- **The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.**

##### 10.1 Establishment of risk management and internal control framework

The Board acknowledges that risk management is an integral part of the Group business operations. It is an ongoing process which involves different levels of management to identify, evaluate, monitor and manage and mitigate the risks that may affect the achievement of its business and corporate objectives.

The Management is responsible for creating a risk awareness culture and building the necessary environment for effective risk management. Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, the Board may seek assistance from external parties for opinion on pertinent issues.

The Company has established the Risk Management Team which is under the purview of the ARMC to oversee the risk management of the Group. The Risk Management Framework was adopted by the Board. The Board through the ARMC obtains the report from internal auditors regarding the periodic checks on the internal control system.

##### 10.2 Features of its risk management and internal control framework

The details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control on pages 105 to 108 of this Annual Report.

## Corporate Governance Overview Statement

(Cont'd)

### 10.3 Risk Management Committee

The Board has not established a Risk Management Committee which is considered, a step-up practice. The function of the Risk Management Committee is currently assumed by the ARMC.

#### Intended Outcome 11.0

- **Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.**

### 11.1 Internal audit function

The Board's responsibility is to maintain sound systems of internal controls to safeguard shareholders' investments.

As the systems of internal controls are designed to mitigate rather than eliminate the likelihood of errors or fraud, these systems can only provide reasonable assurance against material misstatement or loss.

To maintain sound systems of internal controls, the Board has established an Audit & Risk Assessment ("ARA") department. The ARA department reports directly to the ARMC and is independent of the activities and operations that it audits. Its primary responsibility is to undertake regular and systematic reviews of the business operations, processes and procedures as well as compliance in order to provide independent and objective assurance that the Group's overall system of internal control and governance processes continue to operate adequately and effectively.

The scope of work covered by the internal audit function during the financial year is set out on pages 103 to 104 of this Annual Report.

The internal auditors adopt a risk-based approach toward the planning and conduct of audits, consistent with the Group's framework in designing, implementing and monitoring its internal control system.

The internal audit function is guided by the Internal Audit Charter, which the ARMC has approved. Audit engagement is focused on priority areas according to the risk assessment and follows the audit plan approved by the ARMC.

The Head of the ARA department attended the ARMC meetings and reported directly to the ARMC on the annual internal audit plan and internal audit reports on the audits conducted following the annual audit plan.

During FY2024, the ARA department presented its internal audit reports to ARMC which included audit observations and findings, internal control weaknesses, and recommendations of corrective measures to be taken. ARA also reported that none of the internal control weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The total costs of the internal audit function in respect of FY2024 were approximately RM363,000.

## Corporate Governance Overview Statement

(Cont'd)

The ARA department consists of 4 audit personnel of which, Mr. Muhamad Anwar Bin Mustafa, is the Head of ARA department.

Mr. Muhamad Anwar Bin Mustafa, holds a Bachelor of Commerce in Accounting and Finance and is a member of the Institute of Internal Auditors (“IIA”) and Certified Practise Accountant of Australia (“CPA”).

None of the internal audit personnel had any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions. The ARA Department provides the ARMC with reasonable assurance of the Group’s internal control systems’ adequacy and integrity.

The ARMC had in June 2023 reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal auditors for the financial year ended 28 February 2023 and ensured that the ARA team had the necessary authority to carry out their work. The ARMC was also satisfied that the internal audit function was independent of the operations of the Company and the Group. During FY2024, the ARA department had provided reasonable assurance that the Company’s and the Group’s system of internal control was satisfactory and operating effectively.

### **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

#### **PART 1 - COMMUNICATION WITH STAKEHOLDER**

##### **Intended Outcome 12.0**

- **There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.**
- **Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.**

##### **12.1 Effective, transparent and regular communication with its stakeholders**

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company to the regulators, shareholders and stakeholders. The Company has identified persons authorised and responsible to approve and disclose material information to shareholders and stakeholders to ensure compliance with the Listing Requirements of Bursa Securities. The Board has delegated the authority to the Executive Director to approve all announcements for release to Bursa Securities. The Executive Director works closely with the Board, the Senior Management and the Company Secretaries who are privy to the information to maintain strict confidentiality of the information.

The Company continues to recognise the importance of transparency and accountability to its shareholders and investors. The Board always ensures that the shareholders are informed of the financial performance and major corporate activities of the Company. Such information is communicated to shareholders and investors through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.

## Corporate Governance Overview Statement

(Cont'd)

Apart from the mandatory announcements through Bursa Securities, the Company also maintains a website <https://www.atlan.com.my> to which shareholders and investors can access information on the operations and business activities of the Group.

Investor relations activities such as meetings with fund managers and analysts and interviews by the press are held at appropriate times to explain the Group's strategy, performance and major developments.

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Listing Requirements of Bursa Securities. It also adopts the recommendations of the MCCG with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital for shareholders and investors to make informed investment decisions.

The Annual Report is the main channel of communication between the Company and its stakeholders. It communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the Listing Requirements of Bursa Securities.

Another key avenue of communication with its shareholders is the Company's AGM, which provides a useful forum for shareholders to engage directly with the Board to facilitate a greater understanding of the Company's business, governance and performance. At each AGM, the Directors of the Company are present at the meetings to answer any questions that the shareholders may ask. The Chairman of the meeting provides time for the shareholders to seek and clarify any issues pertaining to the resolutions tabled in the Company's AGM.

### **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

#### **PART 2 - CONDUCT OF GENERAL MEETINGS**

##### **Intended Outcome 13.0**

- **Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.**

##### **13.1 Notice for an Annual General Meeting**

General meeting serves as a principal platform for the Board and Senior Management to engage with shareholders and encourage effective shareholders' communication on the Company's performance, corporate and business developments and any other matters affecting shareholder interests.

## Corporate Governance Overview Statement

(Cont'd)

The Annual Report 2023, which contained the Notice of 34<sup>th</sup> AGM, was issued more than 28 days prior to the meeting date to give sufficient time to shareholders to consider the resolutions that would be discussed and decided at the 34<sup>th</sup> AGM. The Notice of AGM, which set out the Agenda of the AGM, was also published in the nationally circulated daily newspaper. The notes to the Notice of AGM also provided the necessary explanations for each resolution proposed to enable shareholders to make informed decisions when exercising their voting rights.

To further promote the participation of members through proxy(ies), in line with the insertion of Paragraph 7.21 of the Listing Requirements of Bursa Securities, the Company's Constitution included explicitly the right of proxies to speak at general meetings. It allows a member who is an exempt authorised nominee to appoint multiple proxies for each omnibus account it holds and expressly disallows any restriction on the qualification of proxies.

### **13.2 Attendance in General Meetings**

#### **13.3 Interaction with Shareholders in General Meetings**

Due to the intense situation of the COVID-19 pandemic and the safe distancing requirements imposed by the Government, which discouraged mass gatherings, the Company held its AGMs virtually to enable the shareholders of the Company to participate fully in the proceedings at multiple venues using technology facilities and to exercise their right to speak and vote at the meetings without the need to be physically present. For shareholders unable to participate, some had appointed proxies to represent them and vote on their behalf.

The Chairman of the 34<sup>th</sup> AGM ensured that sufficient opportunities were given to shareholders to raise issues relating to the affairs of the Company by providing ample time for Question and Answer sessions during the 34<sup>th</sup> AGM. The Directors actively responded to relevant questions addressed to them during the 34<sup>th</sup> AGM. Representatives from external auditors were also present at the broadcast venue to address queries raised by shareholders.

In addition, written queries raised by the Minority Shareholders Watch Group were presented to shareholders during the 34<sup>th</sup> AGM along with the Company's responses.

#### **13.4 Voting**

To enhance greater transparency, accuracy and efficiency in the voting process, the Company adopted the system of electronic voting by poll at the 34<sup>th</sup> AGM to allow the shareholders, appointed proxy or authorised representatives to submit their votes online. Shareholders who participated remotely via live streaming at the 34<sup>th</sup> AGM were required to login to Securities Services e-Portal to cast their vote online until the close of the voting session of the 34<sup>th</sup> AGM.

An independent scrutineer was appointed to validate the votes cast and the results of each resolution put to vote were announced at the Meeting. The poll results, confirmed by the Chairman were instantaneously displayed on-screen and were seen by shareholders who joined the meeting via electronic means.

An announcement detailing the poll results, including the total number of votes cast for and against each resolution and the respective percentages, was announced via Bursa LINK on the same day after the conclusion of the general meeting.

## Corporate Governance Overview Statement

(Cont'd)

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### 13.5 Virtual General Meeting

The Board ensured that the required infrastructures and tools were in place to enable the smooth broadcast of the 34<sup>th</sup> AGM and meaningful engagement with the shareholders. The questions posed by the shareholders were responded to by the Directors during the 34<sup>th</sup> AGM.

The Board ensured a seamless experience for shareholders participating in the 34<sup>th</sup> AGM virtually by engaging SS E Solutions Sdn. Bhd. (as the service provider of Remote Participation and Voting facilities), to provide the virtual platform, namely Securities Services e-Portal for the 34<sup>th</sup> AGM.

The entire AGM proceedings were conducted through the Securities Services e-Portal. The Administrative Details of the AGM as well as the Securities Services e-Portal user guide with detailed registration and voting procedures were shared with the shareholders and the same information was also published on the Company's website. All shareholders were encouraged to participate remotely in the Company's AGM to ensure a high level of accountability. Shareholders were given opportunities to raise questions and feedback on their views on issues affecting the Company and to vote in AGM remotely.

### 13.6 Minutes of the General Meeting

The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders, as it encompasses a two-way discussion on the Company's achievements and performance in the past financial year, as well as its plans and strategies for the near and long-term future.

The recording of the proceedings in the form of minutes reflects the matters that were deliberated, explanations, agreements as well as resolutions reached between the shareholders and Directors of the Company in the respective AGM.

The Minutes of 34<sup>th</sup> AGM documented the proceedings, issues and concerns raised by shareholders, and the responses by the Company were made available on the Company's website at <https://www.atlan.com.my> within 30 business days after the conclusion of the 34<sup>th</sup> AGM, so as to provide useful information to shareholders and investors especially for absentee shareholders who were unable to attend the AGM.

This Statement is made in accordance with the resolution of the Board dated 13 June 2024.

## *Additional Compliance Information*

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C thereto:-

### **1. Utilisation of Proceeds**

During the financial year ended 29 February 2024, the Company did not raise any funds through any corporate proposal/shareholders' mandate under Sections 75 and 76 of the Companies Act 2016.

### **2. Audit and Non-Audit Fees**

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated with the external auditors' firm by the Company and the Group for the financial year ended 29 February 2024 are as follows:-

	Company (RM)	Group (RM)
Audit Fees	87,000	1,100,000
Non-Audit Fees	24,000	39,000
<b>Total Fees</b>	<b>111,000</b>	<b>1,139,000</b>

The non-audit fees breakdown for the Group amounting to RM39,000 are as follows:-

	Group (RM)
Reviewing Statement of Risk Management and Internal Control	12,000
Cyber Security Incident Review	12,000
Taxation fees	15,000
<b>Total</b>	<b>39,000</b>

In considering the nature and scope of the non-audit services, the Audit and Risk Management Committee is satisfied that the provision of such services would not likely to create any conflict or impair the independence and objectivity of the external auditors.

### **3. Material Contracts Involving Directors, Chief Executive who is not a Director and Major Shareholders' Interests**

Other than those related party transactions as disclosed in Note 38 to the financial statements, there were no material contracts entered into by the Company and its subsidiaries involving directors, chief executive who is not a director and major shareholders' interests, either still subsisting at the end of the financial year ended 29 February 2024 or entered into since the previous financial year ended 28 February 2023.

# Audit and Risk Management Committee Report

The Audit and Risk Management Committee (“ARMC”) was established by the Board of Directors (“the Board”) with the primary objective to assist the Board in fulfilling its fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes and management and financial reporting practices of the Group.

## COMPOSITION

The ARMC comprises the following members: -

Position	Name	Directorship
Chairman	Dato’ Dr Abdul Razak Bin Abdul	Independent Non-Executive Director
Member	Tuan Haji Mohd Jaffar Bin Awang (Ismail)	Senior Independent Non-Executive Director
Member	Raja Dato’ Sri Shaharudin Shah Bin Raja Jalil Shah	Independent Non-Executive Director
Member	Datuk Zawati Binti Abd Rahman	Independent Non-Executive Director

The ARMC comprises four (4) members and all of them are Independent Non-Executive Directors. The ARMC Chairman, Dato’ Dr Abdul Razak Bin Abdul fulfills such other requirements as prescribed by the Bursa Malaysia Securities Berhad that he possesses accountant qualifications. None of the ARMC members is an Alternate Director. This meets the requirements of Paragraphs 15.09(1) and (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

The Chairman of the ARMC is not the Chairman of the Board. The composition of the Committee is in line with Practice 9.1 under the Malaysian Code on Corporate Governance (“MCCG”).

## MEETINGS

The ARMC met five (5) times during the financial year ended 29 February 2024 (“FY2024”). Details of the attendance of the ARMC members holding office during the financial year are as follows: -

Members	Attendance at Meeting
Tuan Haji Mohd Jaffar Bin Awang (Ismail)	5/5
Dato’ Dr Abdul Razak Bin Abdul	5/5
Raja Dato’ Sri Shaharudin Shah Bin Raja Jalil Shah	5/5
Datuk Zawati Binti Abd Rahman	5/5

## AUTHORITY AND DUTIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC is governed by its Terms of Reference, which is available on the Company’s website at <https://www.atlan.com.my>.

## Audit and Risk Management Committee Report

(Cont'd)

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### SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The activities of the ARMC for the FY2024 were as follows: -

#### (i) Financial Performance and Reporting

- Reviewed quarterly financial results of the Group for FY2024 presented by the Management before recommending to the Board for their consideration and approval;
- Reviewed with the external auditors the annual audited financial statements of the Group and the Company to ensure the said audited financial statements were drawn up under the relevant legislation and the applicable approved accounting standards before recommending to the Board for their consideration and approval; and
- Reviewed and deliberated on audit issues raised by the external auditors and the action plans required to address those issues.

#### (ii) Internal Audit (“IA”)

- Reviewed and approved the annual IA plan presented by the internal auditors after being satisfied with the contents’ suitability, adequacy and scope of coverage;
- Reviewed the IA reports, which highlighted the audit issues, recommendations and management’s responses;
- Reviewed the follow-up reports by the internal auditors on the status of actions taken by the management on recommendations suggested in the IA reports;
- Discussed with the management on actions taken to improve the systems of internal control based on the recommendations and findings identified in the IA reports and made necessary recommendations to the Board for approval; and
- Evaluated the effectiveness and independence of the IA function in carrying out its responsibilities regarding risk management, internal control, and governance. Overall, the ARMC was satisfied with the performance of the IA function for the FY2024.

#### (iii) External auditors

- Reviewed and discussed with the external auditors their Audit Plan and scope of work for the financial year;
- Met twice with the external auditors without the presence of the Management team to discuss issues of concern to the external auditors arising from the annual statutory audit;
- Reviewed the results of the audit, management letter together with the management’s responses and comments to the findings; and
- Evaluated the external auditors’ performance for the financial year under review, covering areas such as calibre, quality processes, audit team experience, audit scope, audit governance and independence, and external auditors’ audit fees. The Group’s external auditors also confirmed their independence. The ARMC, being satisfied with the independence, stability, and performance of Messrs. Ernst & Young PLT for FY2024, made recommendations to the Board for approval on the external auditors’ re-appointment.

#### (iv) Related Party Transactions

- Reviewed and confirmed with the Management team on a quarterly basis any related party transaction or recurrent related party transaction entered by the Group which was required to be transacted at an arm’s length basis and was not detrimental to the minority shareholders.

## Audit and Risk Management Committee Report

(Cont'd)

### (v) Corporate Governance

- Reviewed the impact of the relevant regulatory changes and ensured compliance by the Company and the Group;
- Reviewed and recommended the proposed amendments to the Terms of Reference of ARMC to the Board for approval; and
- Reviewed and recommended the Statement of Risk Management and Internal Control and ARMC Report for inclusion in the Annual Report to ensure the contents therein were accurate and in compliance with the Listing Requirements to the Board for approval.

### (vi) Risk Management

- Reviewed and endorsed the risk management frameworks, guidelines and other key components of risk management for implementation within the Company and throughout the Group; and
- Reviewed the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks.

### (vii) Conflict of Interest/Potential Conflict of Interest

The ARMC has not come across any conflict of interest situations or potential conflict of interest situations within the Company or its subsidiaries including any transaction, procedure or course of conduct that raises questions of management integrity.

## INTERNAL AUDIT FUNCTION

The IA function is carried out by the Audit and Risk Management Assessment (“ARA”) Department.

The internal auditors from the ARA Department are free from any relationships or conflicts of interest that could impair their objectivity and independence in their audit assignments. The Head of IA reports directly to the ARMC and administratively to the Executive Director.

The ARA Department assists the ARMC in discharging its duties and responsibilities, which are to provide reasonable assurance on the adequacy and effectiveness of the system of risk management and internal control of the organization. The ARA Department conducts an independent, objective, and systematic review of internal control processes to address risks and ensures that established policies and procedures, applicable laws and regulations are complied with. The ARA Department has unfettered access to the Board, ARMC and Management, as well as the authority to seek information and explanations.

The IA activities are specified in the annual audit plan submitted to the ARMC for approval. The Head of the ARA Department submits a summary of audit observations and IA reports to the ARMC members for their review every quarter. The quarterly summary and IA reports contain conclusions on the adequacy and effectiveness of the system of risk management and internal controls in the areas reviewed. Among the matters that are usually highlighted by the Head of the ARA department in the reports are internal control weaknesses, root causes, business impacts, recommendations and the corrective measures to be taken by Management within certain timeframe.

## Audit and Risk Management Committee Report

(Cont'd)

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The Head of IA also follows up on the status of previous findings by summarizing the status of agreed actions by the Management. The ARMC monitors and reviews the effectiveness of the IA activities, ensuring that these activities contribute to the ongoing effectiveness of the system of internal control.

The activities carried out by the internal auditors for FY2024 include: -

- Conducted audit reviews of the Group's system of internal controls on reliability and integrity of financial and operational information, safeguarding of assets, the efficiency of operations, compliance with established policies as well as procedures and statutory requirements;
- Provided recommendations to the Management to assist the operations management and Group in improving and accomplishing its internal control requirements;
- Presented the IA reports to the ARMC on a quarterly basis; and
- Performed follow-up reviews to ensure that corrective actions were implemented effectively.

For the financial year under review, the total costs incurred by the Group for maintaining the IA functions were RM363,000.

### **PERFORMANCE OF ARMC**

The term of office and performance of the ARMC and each of its members is assessed annually by the Nomination Committee ("NC") and the NC reports the outcome of its assessment to the Board. For FY2024, the Board was satisfied that the ARMC has discharged its duties and responsibilities in accordance with the Terms of Reference of the ARMC.

This Statement is made in accordance with the resolution of the Board dated 13 June 2024.

# Statement on Risk Management and Internal Control

## PREAMBLE

The Board of Directors (the “Board”) is pleased to present its Statement on Risk Management and Internal Control which has been prepared pursuant to Paragraph 15.26(b) of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the “Guidelines”).

## BOARD RESPONSIBILITY

The Board acknowledges its stewardship responsibility for the Group’s internal control and risk management system to safeguard shareholders’ investment and the Group’s assets and review its adequacy and integrity of the system.

However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement loss and fraud. For this statement, the associated company is not dealt with as part of the Group.

## INTERNAL CONTROL SYSTEMS

The embedded control system is designed to facilitate the achievement of the Group’s business objectives. It comprises the following: -

- **Organisational Structure**

The organisational structure has well-defined lines of responsibility, the delegation of authority, segregation of duties and information flow to support the Group in achieving its business objectives.

In addition, the committees made up predominantly of non-executive directors such as the Audit and Risk Management Committee (“ARMC”), Nomination Committee and Remuneration Committee with defined terms of reference and functions, provide the essential support to the Board. These Board Committees have been delegated specific responsibilities all of which are governed by clearly defined Terms of Reference. The Terms of Reference of these Committees are accessible at the Company’s website at <https://www.atlan.com.my>.

- **Audit and Risk Management Committee**

The ARMC convenes its meeting regularly to meet its strategic business plan, thus ensuring that the Board adequately apprised and maintains adequate supervision over the entire operations.

- **Control Activities**

The Group continuously reviews and updates its policies, procedures and standards following changes in the operating environment.

## Statement on Risk Management and Internal Control

(Cont'd)

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- **Budgeting and Monitoring Processes**

The Group has a budgeting process for all operating units with periodical monitoring of performance so that significant variances are followed-up and Management action taken.

- **Managing and Monitoring of Capital and Revenue Expenditure**

The functional limits of authority for revenue and capital expenditure for all operating units facilitate the approval process whilst keeping potential exposure in check.

Detailed justification and approval process for major projects and acquisitions are imposed to ensure congruence with Company's strategic objectives.

- **Information and Communication Controls**

The Group's computerized information systems are streamlined to ensure compliance with hardware and software regulations and guidelines for system integrity, effectiveness, and efficiency.

- **Independent Auditing**

Independent appraisals by internal and external auditors ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's systems of financial, compliance and operational controls.

### **RISK MANAGEMENT**

The Board acknowledges that risk management is an integral part of the Group's business operations. It is an ongoing process that involves different management levels to identify, assess, evaluate, monitor, and manage and mitigate risks that may affect the achievement of its business and corporate objectives. Regular Management and operational meetings are held to deliberate solutions to mitigate critical risks. These ongoing risk management activities are undertaken at all significant subsidiaries of the Group and collectively at the Group level. The ongoing risk management process is coordinated by the Audit and Risk Assessment Department ("ARA").

Key elements of the Group's risk management framework are described below:-

- **Risk Identification**

Risk identification is performed on an ongoing basis by different levels of management. The respective business units of the Group are the risk owners and are responsible for developing the appropriate risk response strategies.

## Statement on Risk Management and Internal Control

(Cont'd)

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- **Risk Assessment**

The Group maintains a risk database together with their corresponding controls, which are categorised below: -

- ❖ Strategic risk, the risk which affects the overall direction of the business.
- ❖ Operational risk, derived from the inability of internal processes and procedures to address operational failings due to people or systems.
- ❖ Financial risk, the risk associated with financial reporting and recording of transactions.
- ❖ Compliance risk, the risk concerning legal, statutory, and corporate governance.

- **Risk Mitigation Process**

Potential risks were identified by the respective business functions based on relevant knowledge, expertise, and advice from subject matter experts. The policies and procedures of the Group embed internal controls to address and mitigate known risks.

- **Reporting & Communication**

On a quarterly basis, ARA reports to the ARMC, on any significant changes in the business and external environment, and any updates to key risks in the risk register.

The Management is responsible for creating risk awareness culture and to build the necessary environment for effective risk management. Significant issues related to internal controls and risk management are highlighted to the Board. If deemed necessary, the Board will seek external parties' council in matters in which the Board needs to seek an opinion.

### **INTERNAL AUDIT FUNCTION**

The Internal Audit function supports the ARMC, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Group's internal control.

In particular, the Internal Audit function appraises and contributes to improve the Group's internal control systems and reports to the ARMC on a quarterly basis.

The Internal Audit function adopts the risk-based approach when carrying out its internal audit work plan, reflecting the risk profile of the Group's major business sectors is routinely reviewed and approved by the ARMC. The scope of the Internal Audit function covers the audit of all business units and operations.

## Statement on Risk Management and Internal Control

(Cont'd)

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### **REVIEW OF ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL**

The ARMC is responsible for reviewing the internal and external auditors' audit reports and assessing the Management's actions on recommendations made by the internal and external auditors to resolve lapses or weaknesses in the controls.

For the financial year ended 29 February 2024, the Board has received assurances from the Executive Chairman and Executive Director that the Group's internal controls are adequate and effective in all material aspects.

Based on the internal controls established and maintained by the Group, reviews performed by Management and work performed by internal and external auditors, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls are adequate and effective.

### **REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

The external auditors have reviewed this Statement as required by Paragraph 15.23 of the MMLR of Bursa Securities for inclusion in the Annual Report of the Company for the financial year ended 29 February 2024 and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

Their review was also performed in accordance with Audit and Assurance Practice Guides 3 issued by the Malaysian Institute of Accountants.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board of Directors dated 13 June 2024.

## *Statement of Directors' Responsibility*

in respect of the Audited Financial Statements

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The Board of Directors ("Board") is required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the Company at the end of each financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Board has:-

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that applicable accounting standards have been complied with; and
- Applied the going concern basis.

The Board is responsible for ensuring that the Group and the Company maintain proper accounting records, that disclose with reasonable accuracy on the financial position of the Group and the Company, and that enable the Board to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 13 June 2024.

## *Financial Statements*

<b>111</b> Directors' Report	<b>123</b> Statements of Comprehensive Income
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# Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 29 February 2024.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management, financial, technical and other ancillary services.

The principal activities of the subsidiaries are set out in Note 18 to the financial statements.

## RESULTS

	Group RM'000	Company RM'000
Profit net of tax	25,315	20,307
Profit attributable to:		
Owners of the parent	20,349	20,307
Non-controlling interests	4,966	–
	25,315	20,307

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the notes to the financial statements.

## DIVIDEND

The dividend paid by the Company since 28 February 2023 was as follows:

	RM'000
In respect of the financial year ended 29 February 2024:	
First interim dividend (single-tier) of 6.0 sen on 253,650,409 ordinary shares, declared on 12 October 2023 and paid on 8 November 2023	15,219
Second interim dividend (single-tier) of 4.0 sen on 253,650,409 ordinary shares, declared on 11 January 2024 and paid on 22 February 2024	10,146
	25,365

The directors do not recommend the payment of any final dividend in respect of the financial year ended 29 February 2024.

## Directors' Report

(Cont'd)

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### DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Sri Adam Sani Bin Abdullah \*\*  
Dato' Sri Robin Tan Yeong Ching \*\*  
Dato' Woo Hon Kong  
Tan Thiam Chai  
Lee Sze Siang \*\*  
Tuan Haji Mohd Jaffar Bin Awang (Ismail)  
Raja Dato' Sri Shaharudin Shah Bin Raja Jalil Shah  
Dato' Dr Abdul Razak Bin Abdul  
Datuk Zawati Binti Abd Rahman (F)

\*\* These directors are also directors of certain subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

General Tan Sri Dato' Seri Mohd Azumi Bin Mohamed (Retired)  
Dato' Megat Hisham Bin Megat Mahmud  
Chew Soo Lin  
Y.A.M. Dato' Seri Sharifah Fazira Bt DYMM Syed Sirajuddin (F)  
Ho Yuet Leng (F)  
Datuk Haji Mohd Radzuan Bin Abdullah  
Datuk Mamat Bin Samat  
Rosly Bin Ahmad  
Ahmad Zubir Bin Khalid  
Cheah Im Bee (F)  
Robert Justin Frizelle  
Quek Meng Teck Derrick  
Dato' Azhar Bin Mohamed  
Khoo Chun Keong  
Kong Chia-Hing  
Mark Trevor Rudrum  
Takashi Terauchi (Appointed on 31 March 2023)  
Lim Kim Huat (Appointed on 18 January 2024)  
Shigeru Umemori (Appointed on 26 April 2024)  
Jeneral Tan Sri Dato' Sri Abdullah Bin Ahmad @ Dollah Bin Amad (B) (Appointed on 2 May 2024)  
Haslin Binti Osman (F) (Appointed on 2 May 2024)  
Hironobu Takashita (Resigned on 26 April 2024)

## Directors' Report

(Cont'd)

### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

The Company maintains a liability insurance for the directors and officers of the Group. The total amount of sum insured for the financial year amounted to RM20,000,000.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	347	215
Salaries and other emoluments	1,678	–
Defined contribution plan	81	–
	2,106	215

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1 March 2023	Acquired	Sold	29 February 2024

#### The Company

##### Deemed interest

Dato' Sri Adam Sani Bin Abdullah *	130,319,214	–	–	130,319,214
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\* Deemed interested through Chesterfield Trust Company Limited as Trustees of the Lim Family Trust by virtue of himself as the settlor, initial protector and a primary beneficiary of the Lim Family Trust.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

### SIGNIFICANT AND SUBSEQUENT EVENTS

Details of significant and subsequent events are disclosed in Note 43 to the financial statements.

## Directors' Report

(Cont'd)

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### OTHER STATUTORY INFORMATION

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment and satisfied themselves that all known bad debts had been written off and that adequate allowance for impairment had been made; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for impairment in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
  - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**Directors' Report****(Cont'd)****AUDITORS**

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	1,100	87
Other auditors	102	–
	1,202	87

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 13 June 2024.

**Dato' Sri Adam Sani Bin Abdullah****Lee Sze Siang**

## *Statement by Directors*

Pursuant to Section 251(2) of the Companies Act 2016

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We, Dato' Sri Adam Sani Bin Abdullah and Lee Sze Siang, being two of the directors of Atlan Holdings Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 122 to 240 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 29 February 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 13 June 2024.

**Dato' Sri Adam Sani Bin Abdullah**

**Lee Sze Siang**

## *Statutory Declaration*

Pursuant to Section 251(1)(b) of the Companies Act 2016

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I, Lee Sze Siang, being the director primarily responsible for the financial management of Atlan Holdings Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 122 to 240 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared  
by the abovenamed Lee Sze Siang  
at Kuala Lumpur in the Federal Territory  
on 13 June 2024.

**Lee Sze Siang**  
(MIA 16287)

Before me,

**RADZILAN BIN MAHMOOD**  
**W927**  
Commissioner for Oaths

# *Independent Auditors' Report*

to the members of Atlan Holdings Bhd.

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## **Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of Atlan Holdings Bhd. which comprise the statements of financial position as at 29 February 2024 of the Group and of the Company, and income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 122 to 240.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 29 February 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### **Basis for opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence and other ethical responsibilities**

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

## Independent Auditors' Report

(Cont'd)

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### Key audit matters (Cont'd)

#### Impairment assessment of property, plant and equipment ("PPE") and right-of-use assets ("ROUA")

As at 29 February 2024, the carrying amounts of the Group's PPE and ROUA are RM200.5 million and RM109.2 million, which represent 56% and 31% of the non-current assets respectively. Management's impairment assessment of PPE and ROUA is significant to the audit due to the magnitude of the amount and the heightened level of estimation uncertainty associated with current market and economic conditions. Hence, we consider this to be a key audit matter.

The recoverable amounts of the PPE and ROUA in the retail business have been determined based on value-in-use ("VIU") calculations using probability-based cash flow projections approved by management. The recoverable amounts of the PPE in the hospitality business have been determined based on fair value using the income approach. During the year ended 29 February 2024, management did not recognise any impairment loss on PPE but recognised an impairment loss of RM84,000 on ROUA.

In respect of the recoverable amounts of the PPE and ROUA in the retail business, we assessed the methodology of the VIU calculations used by management. We held discussions with the relevant senior management personnel to understand the basis for the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of these assets. The key assumptions include the revenue growth rates under various recovery scenarios, budgeted gross margins, budgeted operating costs and discount rates.

We evaluated these assumptions based on our knowledge of the business and available industry news providing insights on the different scenarios of possible recovery of passenger traffic for outlets located at airports and land borders. We assessed the reasonableness of the revenue growth rates and budgeted gross margin, taking into consideration past performance and recovery growth in the current year, by comparing them to industry information on market outlook and expected recovery scenarios. We compared the budgeted operating costs to historical results taking into account the cost optimisation measures undertaken by the Group. Where applicable, we also compared the assumptions to financial results available subsequent to year end. We involved our internal valuation specialist to evaluate the discount rates by checking to comparable companies in the same industry.

In respect of the recoverable amounts of the PPE in the hospitality business, we considered the objectivity, independence and expertise of the firm of independent valuer engaged by the Group. We obtained an understanding of the methodology adopted by the independent valuer and assessed whether such methodology is consistent with those used in the industry. We evaluated the appropriateness of the data used by the independent valuer as inputs into their valuation. We evaluated the significant estimates applied in their valuation process, such as the assumption on the level of profit and the yield rate, by obtaining an understanding of the historical operating trend and management's plans for the hospitality business, considering the outlook for the hospitality industry and by comparing the yield rate used to comparable properties in Malaysia. We also tested the mathematical accuracy of the valuation methodology.

We also reviewed the adequacy of the disclosures in Notes 2.11, 3.2, 13 and 15 to the financial statements.

#### Impairment of investment in a subsidiary

As at 29 February 2024, the carrying amount of the Company's listed subsidiary Duty Free International Limited ("DFIL") amounted to RM500.0 million, net of accumulated impairment losses of RM187.0 million. During the year ended 29 February 2024, management did not recognise any further impairment loss or any reversal of impairment loss on investment in this subsidiary based on its expected recoverable amount. Estimating the VIU of the CGUs of this investment involved estimating the future cash inflows and outflows that will be derived from the CGUs and discounting them at an appropriate rate.

## Independent Auditors' Report

(Cont'd)

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### Key audit matters (Cont'd)

#### Impairment of investment in a subsidiary (Cont'd)

Due to the significance of the carrying amount of this investment and the heightened level of estimation uncertainty associated with current market and economic conditions, we considered this impairment test to be a key audit matter.

In addition to the procedures performed as described above in the key audit matter on impairment assessment of PPE and ROUA, we also involved our internal valuation specialist to assess the reasonableness of the long-term growth rate by comparing it to external economic data such as economic growth and inflation rate.

We also assessed the adequacy of the disclosures on the investment in subsidiaries in Notes 2.12, 3.2 and 18 to the financial statements.

### Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. We have obtained the Directors' Report prior to the date of this auditors' report. The remaining other information expected to be included in the annual report are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information expected to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

### Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Independent Auditors' Report

(Cont'd)

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### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## Independent Auditors' Report

(Cont'd)

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### Auditors' responsibilities for the audit of the financial statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 18 to the financial statements.

### Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Ernst & Young PLT**  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Penang, Malaysia  
13 June 2024

**Chuan Yee Yang**  
No. 03489/03/2026 J  
Chartered Accountant

# Income Statements

for the year ended 29 February 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	4	453,560	381,264	26,775	15,608
Other income	5	15,183	22,997	1,203	2,587
Raw materials and consumables used		(251,447)	(263,673)	–	–
Changes in finished goods		(11,468)	32,653	–	–
Employee benefits expense	6	(75,227)	(53,181)	(230)	(248)
Depreciation and amortisation		(22,809)	(19,822)	–	–
Rental expenses		(1,029)	(5,860)	–	–
Legal and professional fees		(1,954)	(3,121)	(370)	(1,204)
Other operating expenses	8	(59,640)	(48,784)	(3,233)	(1,818)
		45,169	42,473	24,145	14,925
Waiver of amount due from subsidiaries		–	–	(3)	(11)
Impairment loss on right-of-use assets	15	(84)	(85)	–	–
Reversal of impairment loss on investment in a subsidiary	18	–	–	–	149,076
Reversal of impairment loss on investment in an associate		–	–	67	144
Operating profit		45,085	42,388	24,209	164,134
Share of results of an associate		67	144	–	–
Finance costs	9	(11,765)	(8,995)	(3,733)	(1,569)
Profit before tax		33,387	33,537	20,476	162,565
Income tax expense	10	(8,072)	(6,250)	(169)	(215)
Profit net of tax		25,315	27,287	20,307	162,350
<b>Profit attributable to:</b>					
Owners of the parent		20,349	21,896	20,307	162,350
Non-controlling interests		4,966	5,391	–	–
		25,315	27,287	20,307	162,350
<b>Earnings per share attributable to owners of the parent (sen per share)</b>					
Basic	11	8.02	8.63		
Diluted	11	8.02	8.63		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Statements of Comprehensive Income

for the year ended 29 February 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the year		25,315	27,287	20,307	162,350
<b>Other comprehensive income:</b>					
Item that may be reclassified to profit or loss in subsequent periods					
- Foreign currency translation		7,559	563	-	-
Items that will not be reclassified to profit or loss in subsequent periods					
- Remeasurement gain on defined benefit plans	31	20	159	-	-
- Income tax effect	22	(5)	(38)	-	-
Total comprehensive income for the year		32,889	27,971	20,307	162,350
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		28,023	22,437	20,307	162,350
Non-controlling interests		4,866	5,534	-	-
		32,889	27,971	20,307	162,350

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Statements of Financial Position

as at 29 February 2024

	Note	Group 2024 RM'000	Group 2023 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	200,499	129,716
Investment properties	14	27,100	28,980
Right-of-use assets	15	109,224	107,470
Goodwill	16	8,044	5,818
Intangible assets	17	178	–
Investment in an associate	19	367	300
Other investments	20	137	134
Prepayments	21	4,000	4,000
Deferred tax assets	22	8,397	7,736
		357,946	284,154
<b>Current assets</b>			
Inventories	23	125,829	135,931
Biological assets	24	170	178
Trade and other receivables	25	73,383	93,417
Capitalised contract costs	4	702	484
Prepayments	21	3,883	6,628
Tax recoverable		7,450	9,712
Derivative assets	27	21	29
Marketable securities	26	2	4
Cash and bank balances	28	238,593	207,174
		450,033	453,557
<b>Total assets</b>		<b>807,979</b>	<b>737,711</b>

## Statements of Financial Position

(Cont'd)

	Note	Group	
		2024 RM'000	2023 RM'000
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	29	100,384	77,908
Provision for restoration costs	30	–	198
Employee benefits	31	514	434
Tax payable		1,180	333
Borrowings	32	29,259	22,670
Lease liabilities	33	5,156	1,496
		136,493	103,039
<b>Net current assets</b>		313,540	350,518
<b>Non-current liabilities</b>			
Provision for restoration costs	30	704	672
Employee benefits	31	1,338	1,705
Deferred tax liabilities	22	8,847	9,637
Borrowings	32	51,318	14,903
Lease liabilities	33	101,810	102,620
		164,017	129,537
<b>Total liabilities</b>		300,510	232,576
<b>Net assets</b>		507,469	505,135
<b>Equity attributable to owners of the parent</b>			
Share capital	34	356,528	356,528
Currency translation reserve		7,339	(320)
Other reserve	35	(75,560)	(75,560)
Retained earnings	36	120,701	125,702
		409,008	406,350
Non-controlling interests		98,461	98,785
<b>Total equity</b>		507,469	505,135
<b>Total equity and liabilities</b>		807,979	737,711

## Statements of Financial Position

(Cont'd)

	Note	Company	
		2024 RM'000	2023 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	1	1
Investment in subsidiaries	18	701,525	637,791
Investment in an associate	19	367	300
Other receivables	25	3,102	3,004
		704,995	641,096
<b>Current assets</b>			
Other receivables	25	105	11,514
Prepayments	21	27	27
Marketable securities	26	2	4
Cash and bank balances	28	12,131	25,052
		12,265	36,597
<b>Total assets</b>		<b>717,260</b>	<b>677,693</b>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Other payables	29	363	772
Borrowings	32	21,986	14,959
Tax payable		5	23
		22,354	15,754
<b>Net current (liabilities)/assets</b>		<b>(10,089)</b>	<b>20,843</b>
<b>Non-current liability</b>			
Borrowings	32	43,000	4,975
<b>Total liabilities</b>		<b>65,354</b>	<b>20,729</b>
<b>Net assets</b>		<b>651,906</b>	<b>656,964</b>
<b>Equity attributable to owners of the parent</b>			
Share capital	34	356,528	356,528
Retained earnings	36	295,378	300,436
<b>Total equity</b>		<b>651,906</b>	<b>656,964</b>
<b>Total equity and liabilities</b>		<b>717,260</b>	<b>677,693</b>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Statements of Changes in Equity

for the year ended 29 February 2024

	Attributable to owners of the parent		Attributable to owners of the parent				Non-controlling interests RM'000
	Total equity attributable to owners of the parent RM'000	Share capital RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Distributable	
<b>2024 Group</b>							
<b>At 1 March 2023</b>	505,135	356,528	(320)	(75,560)	125,702	98,785	
<b>Profit for the year</b>	25,315	-	-	-	20,349	4,966	
<b>Other comprehensive income</b>	7,574	-	7,659	-	15	(100)	
<b>Transactions with owners</b>							
Acquisition of a subsidiary	100	-	-	-	-	100	
Dividend on ordinary shares	(25,365)	-	-	-	(25,365)	-	
Dividends paid to non-controlling interests by subsidiaries	(5,290)	-	-	-	-	(5,290)	
<b>Total transactions with owners</b>	(30,555)	-	-	-	(25,365)	(5,190)	
<b>At 29 February 2024</b>	507,469	356,528	7,339	(75,560)	120,701	98,461	

## Statements of Changes in Equity

(Cont'd)

	Attributable to owners of the parent		Attributable to owners of the parent				Non-controlling interests RM'000
	Total equity attributable to owners RM'000	Share capital RM'000	Currency translation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Distributable	
<b>2023 Group</b>							
<b>At 1 March 2022</b>	485,474	356,528	219	(78,102)	113,299	93,530	
<b>Profit for the year</b>	27,287	-	-	-	21,896	5,391	
<b>Other comprehensive income</b>	684	-	420	-	121	143	
<b>Transactions with owners</b>							
Allotment of new ordinary shares by a subsidiary	1	-	-	1	-	-	
Effect of changes in functional currency of a subsidiary	-	-	(532)	-	532	-	
Derecognition of put option liability	5,592	-	(427)	2,541	-	3,478	
Dividend on ordinary shares	(10,146)	-	-	-	(10,146)	-	
Dividends paid to non-controlling interests by subsidiaries	(3,757)	-	-	-	-	(3,757)	
<b>Total transactions with owners</b>	(8,310)	-	(959)	2,542	(9,614)	(279)	
<b>At 28 February 2023</b>	505,135	356,528	(320)	(75,560)	125,702	98,785	

## Statements of Changes in Equity

(Cont'd)

	Note	Total equity RM'000	Share capital RM'000	Distributable Retained earnings RM'000
<b>Company</b>				
<b>At 1 March 2023</b>		656,964	356,528	300,436
<b>Total comprehensive income</b>		20,307	–	20,307
<b>Transaction with owners</b>				
Dividend on ordinary shares	12	(25,365)	–	(25,365)
<b>At 29 February 2024</b>		651,906	356,528	295,378
<b>At 1 March 2022</b>		504,760	356,528	148,232
<b>Total comprehensive income</b>		162,350	–	162,350
<b>Transaction with owners</b>				
Dividend on ordinary shares	12	(10,146)	–	(10,146)
<b>At 28 February 2023</b>		656,964	356,528	300,436

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# Statements of Cash Flows

for the year ended 29 February 2024

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Operating activities</b>				
Profit before tax	33,387	33,537	20,476	162,565
Adjustments for:				
Amortisation of intangible assets	178	–	–	–
Depreciation	22,631	19,822	–	–
Deposits forfeited	(68)	(594)	–	–
Dividends income	–	–	(26,105)	(14,398)
Changes in fair value of biological assets	8	(23)	–	–
Changes in fair value of marketable securities	2	(2)	2	(2)
Changes in fair value of options	–	(222)	–	–
Gain on disposal of property, plant and equipment	(179)	(69)	–	–
Waiver of amount due from subsidiaries	–	–	3	11
Bad debts written off	20	58	–	–
Reversal of impairment loss on receivables	(57)	(691)	–	–
Impairment loss on receivables:				
- third parties	116	8	–	–
- subsidiaries	–	–	289	105
Impairment loss on right-of-use asset	84	85	–	–
Interest expense	11,765	8,995	3,733	1,569
Interest income	(8,511)	(6,512)	(670)	(1,210)
Inventories written back	(1,138)	(7,370)	–	–
Inventories written down	1,369	391	–	–
Inventories written off	124	2,561	–	–
Lease concessions received	–	(164)	–	–
Gain on lease termination	(1)	–	–	–
Loss/(Gain) on forward foreign exchange contracts	8	(29)	–	–
Property, plant and equipment written off	44	5	–	–
Reversal of impairment loss on investment in a subsidiary	–	–	–	(149,076)
Reversal of impairment loss on investment in an associate	–	–	(67)	(144)
(Reversal of)/Provision for short term accumulating compensated absences	(2)	25	–	–
Share of results of an associate	(67)	(144)	–	–
Net unrealised gain on foreign exchange	(6,471)	(5,574)	(610)	(1,289)
Operating cash flows before changes in working capital	53,242	44,093	(2,949)	(1,869)

## Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Operating activities</b> (Cont'd)					
Balance brought forward		53,242	44,093	(2,949)	(1,869)
Changes in working capital:					
Decrease/(Increase)					
in inventories		9,903	(20,807)	–	–
Decrease/(Increase)					
in receivables and capitalised contract cost		14,014	(10,142)	11,510	(14)
Increase/(Decrease)					
in payables		24,655	17,396	(409)	356
Cash generated from/(used in) operations		101,814	30,540	8,152	(1,527)
Tax paid		(6,420)	(5,590)	(187)	(201)
Employee benefits paid		(267)	(328)	–	–
Net cash flows generated from/(used in) operating activities		95,127	24,622	7,965	(1,728)
<b>Investing activities</b>					
Acquisition of:					
- investment properties		(15)	–	–	–
- property, plant and equipment		(13,133)	(6,584)	–	–
Acquisition of subsidiaries		–	–	(63,734)	–
Advances to subsidiaries		–	–	(491)	(609)
Deposit paid for proposed acquisitions		–	(11,495)	–	(11,495)
Net cash outflow on acquisition of subsidiary and assets	18(c)	(61,140)	–	–	–
Dividends received		–	–	26,105	14,398
Interest received		8,511	6,512	670	1,210
Proceed from exercise of warrants in a subsidiary by non-controlling interest		–	1	–	–
Proceeds from disposal of property, plant and equipment		418	437	–	–
Net cash flows (used in)/generated from investing activities		(65,359)	(11,129)	(37,450)	3,504

## Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financing activities</b>					
Decrease/(Increase) in pledged fixed deposits		2,859	(170)	-	-
Dividends paid to:					
- ordinary shareholders of the Company		(25,365)	(10,146)	(25,365)	(10,146)
- non-controlling interests of subsidiaries		(5,290)	(3,757)	-	-
Payment of leases		(5,325)	(1,193)	-	-
Interest paid		(11,620)	(2,486)	(3,681)	(1,266)
Net drawdown/(repayment) of borrowings		42,952	(12,081)	45,000	(5,000)
Repayment of hire purchase liabilities		(49)	(79)	-	-
Net cash flows (used in)/generated from financing activities		(1,838)	(29,912)	15,954	(16,412)
<b>Net increase/(decrease) in cash and cash equivalents</b>		27,930	(16,419)	(13,531)	(14,636)
Effects of foreign exchange rate changes		6,348	5,750	610	1,289
<b>Cash and cash equivalents at beginning of financial year</b>		194,064	204,733	25,052	38,399
<b>Cash and cash equivalents at end of financial year</b>	28	228,342	194,064	12,131	25,052



# Notes to the Financial Statements

– 29 February 2024

## 1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad (“Bursa Securities”). The registered office of the Company is located at 17th Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of management, financial, technical and other ancillary services.

The principal activities of the subsidiaries are set out in Note 18.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 13 June 2024.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (RM’000), except when otherwise indicated.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 March 2023, the Group and the Company adopted the following new and amended MFRSs.

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

## Notes to the Financial Statements

(Cont'd)

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.2 Changes in accounting policies (Cont'd)**

The adoption of the above standards and amendments has no material impact on the financial statements of the Group and of the Company in the period of initial application except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments to MFRS 101 and MFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

**2.3 Standards issued but not yet effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

MFRSs, Amendments to MFRSs and IC Interpretation	Effective for annual periods beginning on or after
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 & 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 standards and interpretations above will have no material impact on the financial statements in the period of initial application.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee, if and only if, the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full except for unrealised losses, which are not eliminated when there are indications of impairment.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

## Notes to the Financial Statements

(Cont'd)

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.4 Basis of consolidation (Cont'd)****Business combinations**

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.10.

Acquisitions of subsidiaries that include put options to acquire non-controlling interests in the future are accounted for in accordance with MFRS 10 Consolidated Financial Statements. During the period the non-controlling interests put options remain unexercised, the non-controlling interests are calculated and immediately derecognised as though it was acquired at that date. A financial liability with respect to put options is recognised in accordance with MFRS 9 Financial Instruments. The difference between derecognition of the non-controlling interests and recognition of the financial liabilities is accounted for as an equity transaction, and disclosed under capital reserve in equity.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### 2.6 Foreign currency

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

##### (a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

## Notes to the Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.6 Foreign currency (Cont'd)

##### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For partial disposals of associates that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

#### 2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land is stated at cost less accumulated impairment losses, if any. Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	over 20 to 93 years
Golf course	over 60 years
Motor vehicles	14.3% - 20%
Office equipment, furniture and fittings	10% - 33.3%
Plant and machinery	10% - 33.3%
Other assets	5% - 20%

Buildings situated on leased land are amortised over the unexpired term of leases.

Capital work-in-progress is not depreciated as these assets are not yet available for use.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.7 Property, plant and equipment (Cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

#### 2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

##### Contracts on hand

Contracts on hand were acquired in business combinations and amortised on a straight line basis over its finite useful life of 2 years. The useful lives of the contracts on hand are estimated based on the current contract duration.

#### 2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and impairment losses, if any.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	over 36.5 years
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Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

## Notes to the Financial Statements

(Cont'd)

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.10 Goodwill**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

**2.11 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.12 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### 2.13 Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The most recent available audited financial statements of the associate is used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

## Notes to the Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.13 Investments in associates (Cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount if the associate and its carrying value, and then recognises the amount in profit or loss.

In the Company's separate financial statements, investment in associate is accounted for at cost less impairment losses, if any. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### 2.14 Financial assets

##### Initial recognition and measurement

Financial assets are recognised when and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

##### Subsequent measurement

###### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

- Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.14 Financial assets (Cont'd)

##### Subsequent measurement (Cont'd)

###### Investments in debt instruments (Cont'd)

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are (Cont'd):

- Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

- Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in finance income.

###### Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's and the Company's right to receive payments is established. For investments in equity instruments which the Group and the Company have not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

###### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

##### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

## Notes to the Financial Statements

(Cont'd)

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.15 Impairment of financial assets**

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset where practical. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

The Group and the Company measure the impairment loss based on the two-step approach to measure the Expected Credit Loss ("ECL") on financial assets:

- 12-month ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

- Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-month ECL.

If in a subsequent period, the credit quality improves and reverses any previously assessed significant increase in credit risk since initial recognition, then the impairment loss reverts from lifetime ECL to 12-month ECL.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts and deposits pledged with licenced banks.

#### 2.17 Inventories

##### (a) Trading inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

##### (b) Manufacturing inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- (i) Raw materials: purchase costs on a first-in first-out basis.
- (ii) Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

##### (c) Inventory property

Inventory property cost includes freehold land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

#### 2.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## Notes to the Financial Statements

(Cont'd)

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.19 Financial liabilities****Initial recognition and measurement**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of their financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

**Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group and the Company that do not meet the hedge accounting criteria. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

The Group and the Company have designated interest rate swap as a financial liability at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.19 Financial liabilities (Cont'd)

##### Subsequent measurement (Cont'd)

The subsequent measurement of financial liabilities depends on their classification as described below (Cont'd):

##### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with the impairment model under MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### 2.20 Borrowing costs

Borrowing costs are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

#### 2.21 Employee benefits

##### (a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

## Notes to the Financial Statements

(Cont'd)

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.21 Employee benefits (Cont'd)****(b) Defined contribution plans**

Defined contribution plans are recognised as expense in the period in which the related services are performed. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

**(c) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits when they are demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**(d) Defined benefit plans**

The Group operates an unfunded, defined benefit plan for its eligible employees. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods and that benefit is discounted to determine the present value. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. The defined benefit obligation is calculated using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, are recognised immediately in the statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation under employee benefits expense in the income statements:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments, and non-routine settlements; and
- net interest expense or income.

## Notes to the Financial Statements

(Cont'd)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.22 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Group as a lessor

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.23(f).

##### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date of underlying asset is available to use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	over 83 to 92 years
Land use rights	over 39 to 99 years
Buildings	over 1 to 36.5 years
Office equipment	over 2 to 5 years

If ownership of the leased asset transfer to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11.

## Notes to the Financial Statements

(Cont'd)

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.22 Leases (Cont'd)****Group as lessee (Cont'd)****(b) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(c) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**2.23 Revenue**

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.23 Revenue (Cont'd)

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

**(a) Sale of goods**

Revenue from sales of goods is recognised net of discounts when control of the asset is transferred to the customer, generally on the delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

**(b) Dividend income**

Dividend income is recognised when the right to receive payment is established.

**(c) Rental of hotel rooms and other services**

Revenue from rental of hotel rooms and other related services are recognised as and when the services are rendered.

**(d) Management income**

Management income is received from a third party operator who manages golf course of a subsidiary. The income is recognised on an accrual basis.

**(e) Interest income**

Interest income is recognised using the effective interest method.

**(f) Rental, parking and related services**

Rental income is recognised on a straight-line basis over the rental tenancy agreements or over the term of the lease. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Parking and related services are recognised net of discounts, if any, as and when the services are rendered.

## Notes to the Financial Statements

(Cont'd)

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.23 Revenue (Cont'd)**

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers (Cont'd):

**(g) Sale of inventory property**

Revenue from sales of inventory property is recognised at the point in time when the control of the properties is transferred to the buyers without any significant contractual acts to complete.

**(h) Sale of oil palm fresh fruit bunches**

Revenue from sale of oil palm fresh fruit bunches is recognised when significant risks and rewards of ownership of goods are transferred to the customer.

**2.24 Income taxes****(a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.24 Income taxes (Cont'd)

##### (b) Deferred tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Notes to the Financial Statements

(Cont'd)

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.24 Income taxes (Cont'd)****(c) Goods and Services Tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

**(d) Sales and Services Tax ("SST")**

When SST is incurred, SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable from the taxation authority.

Revenue is recognised net of the amount of SST billed as it is payable to the taxation authority. SST payable to the taxation authority is included as part of payables in the statements of financial position.

**2.25 Bearer trees and biological assets**

Bearer trees are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer trees are included in property, plant and equipment. Bearer trees mainly include mature oil palm plantations. Mature plantations are depreciated on a straight-line basis over its estimated useful life of 25 years.

In general, oil palms are considered mature 30 to 36 months after field planting.

The carrying values of bearer trees are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer tree is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer trees is included in the income statement in the year the bearer plant is derecognised.

Produce that grows on mature plantations are measured at fair value less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the produce.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### 2.27 Share capital and share issuance expenses

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### 2.28 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

#### 2.29 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

## Notes to the Financial Statements

(Cont'd)

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.30 Fair value measurement**

The Group and the Company measure financial instruments, such as, derivatives, and non-financial assets such as properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 39.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## Notes to the Financial Statements

(Cont'd)

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### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.30 Fair value measurement (Cont'd)

The Group and the Company determine the policies and procedures for recurring fair value measurement, such as properties and unquoted financial assets.

External valuers may be involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the Group and by the Company. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the Group and the Company analyse the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's and the Company's accounting policies. For this analysis, the Group and the Company verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group and the Company, in conjunction with the Group's and the Company's external valuers, also compare the changes in the fair value of each asset and liability with relevant external sources, where practical, to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 2.31 Current and non-current classification

The Group and the Company present assets and liabilities in statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

## Notes to the Financial Statements

(Cont'd)

**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.31 Current and non-current classification (Cont'd)**

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

**2.32 Related parties**

A related party is defined as follows:

- (i) a person or a close member of that person's family is related to the Company if that person:
  - (a) has control or joint control over the Company;
  - (b) has significant influence over the Company; or
  - (c) is a member of the key management personnel of the Company or of a parent of the Company.
- (ii) an entity is related to the Company if any of the following conditions applies:
  - (a) if the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (c) both entities are joint ventures of the same third party;
  - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (f) the entity is controlled or jointly controlled by a person identified in (i); or
  - (g) a person identified in (i) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## Notes to the Financial Statements

(Cont'd)

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### (a) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement on whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

One of the buildings of the Group is being substantially let out to earn rental income. Accordingly, this property is classified as investment property.

##### (b) Control over certain subsidiaries

As at 29 February 2024, the proportion of equity interest of the Group is disclosed in Note 18(a).

Pursuant to the shareholders agreements, the Group is responsible for the management, business direction and strategies of each of the 6 companies, Emas Kerajang Sdn. Bhd., Seruntun Maju Sdn. Bhd., DFZ Emporium Sdn. Bhd., DFZ (M) Sdn. Bhd., Wealthouse Sdn. Bhd. and Kelana Megah Sdn. Bhd.. The Group assessed that it has retained control over the said 6 companies during the financial year through stipulations in the shareholders agreements.

## Notes to the Financial Statements

(Cont'd)

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### Impairment of non-financial assets

Management performs impairment testing for the following assets:

- Goodwill;
- Property, plant and equipment;
- Right-of-use assets; and
- Investment in subsidiaries.

The above non-financial assets are tested whenever there is an indication of impairment, except goodwill which is tested for impairment annually. Impairment is recognised when events and circumstances indicate that the non-financial assets may be impaired and the carrying amounts of the non-financial assets exceed the recoverable amounts. Recoverable amount is defined as the higher of the non-financial assets' fair value less costs to sell and its value-in-use.

When value-in-use calculations are undertaken, Management estimates the recoverable amount based on a discounted cash flow model. The cash flows are derived from the budget approved by the Management. The recoverable amount is sensitive to budgeted gross margin, revenue growth rate as well as the discount rate used for the discounted cash flow model. For impairment assessment of goodwill and investment in subsidiaries, in addition to assumptions mentioned above, the recoverable amount is also sensitive to long term growth rate. Changes in these assumptions may result in changes in recoverable values.

For the current financial year, Management's impairment assessment of these assets remains significant to the audit due to magnitude of the amount. The determination of value-in-use calculations was based on a range of probability-weighted possible outcomes.

The carrying amount of the non-financial assets as at 29 February 2024 and related assumptions are disclosed in their respective notes.

<b>Non-financial assets</b>	<b>Notes</b>
Property, plant and equipment	13
Right-of-use assets	15
Goodwill	16
Investment in subsidiaries	18

## Notes to the Financial Statements

(Cont'd)

### 4. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Revenue recognised at a point of time</b>				
Sales of goods	415,193	368,123	–	–
Sale of oil palm fresh fruit bunches	1,737	2,286	–	–
Gross dividends:				
- subsidiaries	–	–	26,105	14,398
<b>Revenue recognised over time</b>				
Rental, parking and related services	6,503	7,244	–	–
Rental of hotel rooms and related services	24,055	–	–	–
Interest income:				
- subsidiaries	–	–	103	814
- others	6,072	3,611	567	396
<b>Revenue from contracts with customers</b>	<b>453,560</b>	<b>381,264</b>	<b>26,775</b>	<b>15,608</b>

#### Contracts balances

Information about receivables and contract liabilities and balances arising from contracts with customers is disclosed as follows:

	Note	Group	
		2024 RM'000	2023 RM'000
Trade receivables	25	34,232	34,645
Capitalised contract costs		702	484

Capitalised contract costs consist mainly of costs incurred for sales which have not yet been recognised as revenue.

## Notes to the Financial Statements

(Cont'd)

**5. OTHER INCOME**

Included in other income are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Gain arising from changes in fair value of biological assets	-	23	-	-
Gain arising from changes in fair value of options	-	222	-	-
Gain arising from changes in fair value of marketable securities	-	2	-	2
Gain on disposal of property, plant and equipment	179	69	-	-
Gain on forward foreign exchange contracts	-	29	-	-
Gain on foreign exchange:				
- realised	883	1,858	333	976
- unrealised	6,471	5,610	610	1,289
Gain on lease termination	1	-	-	-
Lease concessions received	-	164	-	-
Deposits forfeited	68	594	-	-
Reversal of impairment loss on receivables:				
- third parties	57	691	-	-
Inventories written back *	1,138	7,370	-	-
Interest income from a third party	2,439	2,901	-	-
Rental income from property, plant and equipment	534	764	-	-

\* The write back of inventories was made when the related inventories were sold above their carrying amounts.

**6. EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	64,717	44,283	215	236
Social security contribution	1,248	537	-	-
Contribution to defined contribution plan	5,086	3,604	-	-
(Reversal of)/Provision of short term accumulating compensated absences	(2)	25	-	-
Other benefits	4,178	4,732	15	12
	75,227	53,181	230	248

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM1,759,000 (2023: RM1,706,000) and amounts recognised pursuant to the wage subsidy program introduced in Malaysia amounting to RM Nil (2023: RM1,963,000).

## Notes to the Financial Statements

(Cont'd)

### 7. DIRECTORS' REMUNERATION

The details of remuneration receivable by directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Executive:</b>				
Salaries and other emoluments	1,678	1,631	–	–
Defined contribution plan	81	75	–	–
<b>Total executive directors' remuneration</b>	<b>1,759</b>	<b>1,706</b>	<b>–</b>	<b>–</b>
<b>Non-executive:</b>				
Fees	347	363	215	236
<b>Total non-executive directors' remuneration</b>	<b>347</b>	<b>363</b>	<b>215</b>	<b>236</b>
<b>Total directors' remuneration</b>	<b>2,106</b>	<b>2,069</b>	<b>215</b>	<b>236</b>
<b>Total directors' remuneration (excluding fees)</b>	<b>1,759</b>	<b>1,706</b>	<b>–</b>	<b>–</b>

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2024	2023
<b>Executive directors:</b>		
RM500,001 – RM550,000	1	1
RM1,100,001 – RM1,150,000	1	1
<b>Non-executive directors:</b>		
Below RM50,000	7	9
	<b>9</b>	<b>11</b>

The total number of directors as at 29 February 2024 was 9 (28 February 2023: 9).

## Notes to the Financial Statements

(Cont'd)

**8. OTHER OPERATING EXPENSES**

Included in other operating expenses are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration:				
Ernst & Young				
- statutory audit	837	915	87	81
Member firm of Ernst & Young Global				
- statutory audit	263	263	-	-
Other auditors				
- statutory audit	102	101	-	-
Bad debt written off	20	58	-	-
Impairment loss on receivables:				
- third parties	116	8	-	-
- subsidiaries	-	-	289	105
Inventories written down	1,369	391	-	-
Inventories written off	124	2,561	-	-
Loss on foreign exchange:				
- realised	216	-	-	-
- unrealised	-	36	-	-
Loss arising from changes in fair value of biological assets	8	-	-	-
Loss arising from changes in fair value of marketable securities	2	-	2	-
Management fee charged by a subsidiary	-	-	1,900	1,000
Payment in relation to settlement with Customs *	-	1,500	-	-
Loss on forward foreign exchange contracts	8	-	-	-
GST related expenses	-	1,225	-	-
Property, plant and equipment written off	44	5	-	-

\* On 6 July 2022, the Company's subsidiary, Seruntun Maju Sdn. Bhd. ("SMSB"), amicably reached a settlement with the Royal Malaysian Customs ("Customs") whereby Customs has terminated all prosecution and investigation instituted against SMSB and four of its officers. The settlement was recorded as a Consent Order in the High Court of Taiping and on 15 July 2022, SMSB paid a compound of RM1,500,000 to Customs with no admission of guilt or liability. With the above-mentioned settlement with Customs, the said matter with Customs has therefore been resolved.

## Notes to the Financial Statements

(Cont'd)

### 9. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:				
- bankers' acceptance	228	278	-	-
- bank overdrafts	53	10	-	-
- hire purchase liabilities	1	5	-	-
- term loans	1,189	1,552	658	1,127
- revolving credits	3,075	442	3,075	442
- other lease liabilities	7,219	6,708	-	-
	11,765	8,995	3,733	1,569

### 10. INCOME TAX EXPENSE

#### Major components of income tax expense

The major components of income tax expense for the financial years ended 29 February 2024 and 28 February 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax				
- Malaysian income tax	9,641	6,839	140	211
- (Over)/Under provision in respect of previous financial years	(113)	(657)	29	4
	9,528	6,182	169	215
Deferred income tax (Note 22):				
- Origination and reversal of temporary differences	(1,381)	994	-	-
- Over provision in respect of previous financial years	(75)	(926)	-	-
	(1,456)	68	-	-
Income tax expense recognised in profit or loss	8,072	6,250	169	215

## Notes to the Financial Statements

(Cont'd)

**10. INCOME TAX EXPENSE (CONT'D)**Reconciliation between tax expense and accounting profit

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%).

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 29 February 2024 and 28 February 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	33,387	33,537	20,476	162,565
Taxation at Malaysian statutory tax rate of 24%	8,013	8,049	4,914	39,016
Effect of different tax rates in other country	(498)	(271)	–	–
Effect of tax relief	(90)	(84)	–	–
Effect of expenses not deductible for tax purposes	2,875	2,808	1,507	463
Effect of income not subject to tax	(766)	(37)	(6,281)	(39,268)
Utilisation of deferred tax assets previously not recognised	(239)	(2,697)	–	–
Utilisation of reinvestment allowances	(1,244)	(254)	–	–
Deferred tax assets not recognised	209	319	–	–
Over provision of deferred tax in previous financial years	(75)	(926)	–	–
(Over)/Under provision of income tax in previous financial years	(113)	(657)	29	4
Income tax expense recognised in profit or loss	8,072	6,250	169	215

**11. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing profit net of tax attributable to owners of the parent by the number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the number of ordinary shares outstanding during the financial year plus the number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

## Notes to the Financial Statements

(Cont'd)

### 11. EARNINGS PER SHARE (CONT'D)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 29 February 2024 and 28 February 2023:

	Group	
	2024 RM'000	2023 RM'000
Profit net of tax attributable to owners of the parent	20,349	21,896

	Group	
	2024 Number of shares '000	2023 Number of shares '000
Number of ordinary shares for basic earnings per share computation	253,650	253,650
Number of ordinary shares for diluted earnings per share computation	253,650	253,650

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

### 12. DIVIDENDS

	Company	
	2024 RM'000	2023 RM'000

#### Recognised during the financial year:

Dividends on ordinary shares:

In respect of the financial year ended 29 February 2024		
- First interim single-tier dividend of 6.0 sen	15,219	-
In respect of the financial year ended 29 February 2024		
- Second interim single-tier dividend of 4.0 sen	10,146	-
In respect of the financial year ended 28 February 2023		
- First interim single-tier dividend of 4.0 sen	-	10,146
	25,365	10,146

The directors do not recommend the payment of any final dividend in respect of the financial year ended 29 February 2024.

## Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>At 29 February 2024</b>									
<b>Cost</b>									
At 1 March 2023	148,801	44,648	8,768	10,780	48,751	94,209	2,825	2,409	361,191
Additions	2,801	-	5,968	534	1,311	2,386	-	133	13,133
Acquisition of a subsidiary (Note 18 (c))	61,500	-	-	65	436	-	-	-	62,001
Disposals	-	-	-	(273)	-	(399)	-	-	(672)
Write-offs	(189)	-	(27)	-	(808)	(1,224)	-	(38)	(2,286)
Reclassification	105	-	(10,073)	-	(79)	10,047	-	-	-
Exchange difference	6,891	-	-	7	45	-	-	-	6,943
At 29 February 2024	219,909	44,648	4,636	11,113	49,656	105,019	2,825	2,504	440,310

## Notes to the Financial Statements

(Cont'd)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>									
At 1 March 2023	77,421	18,708	-	9,370	42,640	81,158	1,309	869	231,475
Depreciation charge for the financial year	3,407	766	-	421	1,702	4,489	113	58	10,956
Disposals	-	-	-	(273)	-	(160)	-	-	(433)
Write-offs	(189)	-	-	-	(808)	(1,207)	-	(38)	(2,242)
Exchange difference	49	-	-	1	5	-	-	-	55
Reclassification	-	-	-	-	(60)	60	-	-	-
At 29 February 2024	80,688	19,474	-	9,519	43,479	84,340	1,422	889	239,811
Analysed as:									
Accumulated depreciation	74,483	19,474	-	9,519	42,205	84,215	1,422	882	232,200
Accumulated impairment losses	6,205	-	-	-	1,274	125	-	7	7,611
<b>Net carrying amount</b>	<b>139,221</b>	<b>25,174</b>	<b>4,636</b>	<b>1,594</b>	<b>6,177</b>	<b>20,679</b>	<b>1,403</b>	<b>1,615</b>	<b>200,499</b>

## Notes to the Financial Statements

(Cont'd)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>At 28 February 2023</b>									
<b>Cost</b>									
At 1 March 2022	148,522	44,648	6,639	10,929	48,564	93,284	2,825	2,409	357,820
Additions	279	-	3,580	397	233	2,182	-	1	6,672
Disposals	-	-	(368)	(377)	(17)	(2,315)	-	-	(3,077)
Write-offs	-	-	-	(169)	(26)	(25)	-	(1)	(221)
Transfers	-	-	(1,083)	-	-	1,083	-	-	-
Exchange difference	-	-	-	-	(3)	-	-	-	(3)
At 28 February 2023	148,801	44,648	8,768	10,780	48,751	94,209	2,825	2,409	361,191

## Notes to the Financial Statements

(Cont'd)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings * RM'000	Golf course RM'000	Capital work-in-progress RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Bearer trees RM'000	Other assets RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>									
At 1 March 2022	74,779	17,942	-	9,481	40,857	79,627	1,196	814	224,696
Depreciation charge for the financial year	2,642	766	-	434	1,826	3,870	113	56	9,707
Disposals	-	-	-	(377)	(17)	(2,315)	-	-	(2,709)
Write-offs	-	-	-	(168)	(23)	(24)	-	(1)	(216)
Exchange difference	-	-	-	-	(3)	-	-	-	(3)
At 28 February 2023	77,421	18,708	-	9,370	42,640	81,158	1,309	869	231,475
Analysed as:									
Accumulated depreciation	71,216	18,708	-	9,370	41,366	81,033	1,309	862	223,864
Accumulated impairment losses	6,205	-	-	-	1,274	125	-	7	7,611
<b>Net carrying amount</b>	<b>77,421</b>	<b>18,708</b>	<b>-</b>	<b>9,370</b>	<b>42,640</b>	<b>81,158</b>	<b>1,309</b>	<b>869</b>	<b>231,475</b>
	71,380	25,940	8,768	1,410	6,111	13,051	1,516	1,540	129,716

## Notes to the Financial Statements

(Cont'd)

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****\* Land and buildings**

	Buildings RM'000	Freehold land RM'000	Total RM'000
<b>Group</b>			
<b>At 29 February 2024</b>			
<b>Cost</b>			
At 1 March 2023	135,453	13,348	148,801
Additions	2,801	–	2,801
Acquisition of a subsidiary	49,205	12,295	61,500
Write-offs	(189)	–	(189)
Transfers	105	–	105
Exchange difference	5,513	1,378	6,891
At 29 February 2024	192,888	27,021	219,909
<b>Accumulated depreciation and impairment losses</b>			
At 1 March 2023	77,421	–	77,421
Depreciation charge for the financial year	3,407	–	3,407
Write-offs	(189)	–	(189)
Exchange difference	49	–	49
At 29 February 2024	80,688	–	80,688
Analysed as:			
Accumulated depreciation	74,483	–	74,483
Accumulated impairment losses	6,205	–	6,205
	80,688	–	80,688
<b>Net carrying amount</b>	<b>112,200</b>	<b>27,021</b>	<b>139,221</b>

## Notes to the Financial Statements

(Cont'd)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

\* Land and buildings (Cont'd)

	Buildings RM'000	Freehold land RM'000	Total RM'000
<b>Group</b>			
<b>At 28 February 2023</b>			
<b>Cost</b>			
At 1 March 2022	135,174	13,348	148,522
Additions	279	–	279
At 28 February 2023	135,453	13,348	148,801
<b>Accumulated depreciation and impairment losses</b>			
At 1 March 2022	74,779	–	74,779
Depreciation charge for the financial year	2,642	–	2,642
At 28 February 2023	77,421	–	77,421
Analysed as:			
Accumulated depreciation	71,216	–	71,216
Accumulated impairment losses	6,205	–	6,205
	77,421	–	77,421
<b>Net carrying amount</b>	<b>58,032</b>	<b>13,348</b>	<b>71,380</b>

## Notes to the Financial Statements

(Cont'd)

**13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Office equipment, furniture and fittings RM'000
<b>Company</b>	
<b>At 29 February 2024</b>	
<b>Cost</b>	
At 1 March 2023/29 February 2024	73
<b>Accumulated depreciation</b>	
At 1 March 2023/29 February 2024	72
<b>Net carrying amount</b>	<b>1</b>
<b>At 28 February 2023</b>	
<b>Cost</b>	
At 1 March 2022/28 February 2023	73
<b>Accumulated depreciation</b>	
At 1 March 2022/28 February 2023	72
<b>Net carrying amount</b>	<b>1</b>

## Notes to the Financial Statements

(Cont'd)

### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM13,133,000 (2023: RM6,672,000).

	Group	
	2024 RM'000	2023 RM'000
Cash payment	13,133	6,584
Capitalisation of restoration cost	–	88
	13,133	6,672

The net carrying amount of plant and equipment held under hire purchase liabilities as at reporting date is as follows:

	Group	
	2024 RM'000	2023 RM'000
Motor vehicles	–	66

- (b) Included in additions to the Group's plant and machinery during the year are capitalised staff cost amounting to RM164,000 (2023: RM153,000).
- (c) Impairment loss recognised

During the current financial year, the management performed a review of the recoverable amounts of the property, plant and equipment and right-of-use assets (Note 15).

The recoverable amounts of the property, plant and equipment and right-of-use assets for the retail business have been determined based on value-in-use calculations using probability-weighted cash flow projections approved by management. The pre-tax discount rates applied to the cash flow projections are 13.1% to 17.0% (2023: 7.6% to 18.2%). The recoverable amounts of the property, plant and equipment for the hospitality business is determined using the income approach. The income approach entails the study of the income statements for the past three years and analysing these accounts to determine the profit to the owner, from which the outgoings are subtracted to arrive at the possible income. The yield rate used is 8.5% (2023: 8.5%).

For the financial year ended 29 February 2024, management recognised an impairment loss on right-of-use assets of RM84,000 (2023: RM85,000) (Note 15) and no further or reversal of impairment loss on property, plant and equipment (2023: RM Nil).

## Notes to the Financial Statements

(Cont'd)

**14. INVESTMENT PROPERTIES**

	Group	
	2024 RM'000	2023 RM'000
<b>Cost</b>		
At beginning of the financial year	113,886	113,886
Additions	15	–
At end of the financial year	113,901	113,886
<b>Accumulated depreciation and impairment losses</b>		
At beginning of the financial year	84,906	82,999
Depreciation charge for the financial year	1,895	1,907
At end of the financial year	86,801	84,906
Analysed as:		
Accumulated depreciation	63,801	61,906
Accumulated impairment losses	23,000	23,000
	86,801	84,906
<b>Net carrying amount</b>	27,100	28,980
	Group	
	2024 RM'000	2023 RM'000
<b>Fair values</b>	70,398	72,736
Direct operating expenses arising from income generating investment properties included in income statements	3,646	3,592

## Notes to the Financial Statements

(Cont'd)

### 14. INVESTMENT PROPERTIES (CONT'D)

The fair values of the investment properties were based on a valuation report provided by an independent qualified valuer and estimation by the directors. Valuation was based on current prices in an active market for certain properties and where appropriate, the investment method. Investment method reflects receipt of contractual rentals, expected future market rentals, current market yields, void periods, maintenance requirements and approximate capitalisation rates are used. At the reporting date, the directors have estimated the fair values of an investment property of the Group. The fair values have been determined by reference to transaction prices for similar properties.

Investment properties with net carrying amount of RM24,902,000 (2023: RM26,744,000) are situated on a land owned by a third party with whom the Group has recognised in right-of-use assets as disclosed in Note 15.

Investment properties with a net carrying amount of RM27,100,000 (2023: RM28,980,000) are pledged as securities for borrowings (Note 32).

A quantitative sensitivity analysis of the change in the yield rate as at 29 February 2024 and 28 February 2023 is shown below:

Description	Fair value RM'000	Valuation technique	Unobservable inputs	Range	Sensitivity of the input to fair value
Buildings	68,200 (2023: 70,500)	Investment method	Yield adjustments based on management's assumptions *	7.75% to 8.25% (2023: 7.75% to 8.25%)	0.5% increase or decrease in the yield rate would result in decrease or increase in fair value by approximately RM1.9 million (2023: RM2.1 million).

\* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

## Notes to the Financial Statements

(Cont'd)

**15. RIGHT-OF-USE ASSETS****Group as lessor**

The Group has entered into operating leases on its buildings and advertisement space. These leases have terms of less than 1 year to 3 years. Rental income recognised by the Group during the financial year is RM4,636,000 (2023: RM6,341,000).

Future minimum rentals receivable under non-cancellable operating lease are as follows:

	Land use rights RM'000	Building RM'000	Advertisement space RM'000	Total RM'000
<b>At 29 February 2024</b>				
Within one year	40	4,151	17	4,208
After one year but not more than 5 years	–	3,525	–	3,525
	40	7,676	17	7,733
<b>At 28 February 2023</b>				
Within one year	120	3,019	15	3,154
After one year but not more than 5 years	40	1,634	–	1,674
	160	4,653	15	4,828

**Group as lessee**

The Group has lease contracts for various items of leasehold land, land use rights, buildings (office premises, retail outlets, warehouse, staff quarters) and office equipment used for its operations. Leases of leasehold land generally have lease terms between 83 and 92 years, land use rights generally have lease terms between 39 and 99 years, buildings generally have lease terms between 1 and 36.5 years while office equipment generally have lease terms between 2 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

## Notes to the Financial Statements

(Cont'd)

### 15. RIGHT-OF-USE ASSETS (CONT'D)

#### Group as lessee (Cont'd)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:

	Leasehold land RM'000	Land use rights RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
As at 1 March 2023	15,358	6,244	85,856	12	107,470
Additions	–	6,194	5,465	–	11,659
Lease modification	–	–	(41)	–	(41)
Depreciation expense	(376)	(772)	(8,628)	(4)	(9,780)
Impairment loss	–	–	(84)	–	(84)
At 29 February 2024	14,982	11,666	82,568	8	109,224

	Leasehold land RM'000	Land use rights RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
As at 1 March 2022	15,734	6,436	90,696	16	112,882
Additions	–	–	2,853	–	2,853
Lease modification	–	–	28	–	28
Depreciation expense	(376)	(192)	(7,636)	(4)	(8,208)
Impairment loss	–	–	(85)	–	(85)
At 28 February 2023	15,358	6,244	85,856	12	107,470

Included in right-of-use assets is a non-cancellable lease expiring in 2038 for a piece of property leased by a subsidiary, Naluri Properties Sdn. Bhd. ("NPSB"). NPSB has an option to renew its lease for another 30 years after the expiry of the lease.

Please refer to Note 13(c) to the financial statements for details on the impairment assessment of the right-of-use assets.

## Notes to the Financial Statements

(Cont'd)

**16. GOODWILL**

	Group	
	2024 RM'000	2023 RM'000
<b>Cost</b>		
At beginning of the financial year	27,408	27,408
Acquisition of a subsidiary (Note 18(c))	1,968	–
Exchange difference	258	–
At end of the financial year	29,634	27,408
<b>Accumulated impairment loss</b>		
At beginning/end of the financial year	(21,590)	(21,590)
<b>Net carrying amount at end of the financial year</b>	<b>8,044</b>	<b>5,818</b>

**(a) Allocation of goodwill**

Goodwill has been allocated to the Group's cash-generating unit ("CGU") identified according to business segments as follows:

	Group	
	2024 RM'000	2023 RM'000
Trading of duty free goods, dutiable and non-dutiable merchandise	5,818	5,818
Provision of hospitality related services	2,226	–

**(b) Key assumptions used in value-in-use calculations**

The recoverable amounts of the respective CGUs (Duty free merchandise and hospitality business) are determined based on value in use calculations using probability-weighted cash flow projections from financial forecasts with key assumptions approved by management covering a five-year period.

In the financial year ended 29 February 2024 and 28 February 2023, no impairment loss has been recognised by management on goodwill arising from acquisition of these CGUs.

Key assumptions used in the discounted cash flow models are revenue growth rates, budgeted gross margins, ability to renew duty free licences, discount rates, and long-term growth rate.

## Notes to the Financial Statements

(Cont'd)

### 16. GOODWILL (CONT'D)

#### (b) Key assumptions used in value-in-use calculations (Cont'd)

##### (i) Revenue growth rates

The revenue projection of both segments for the first year was determined based on approved financial budget prepared. Revenue growth rates of the duty free goods, dutiable and non-dutiable merchandise segment for financial year ("FY") 2025 range between 5% to 9% and 5% to 10% for FY2026 to FY2029. (2023: Revenue growth rates for FY2024 range between 6% to 14% and 3% to 48% for FY2025 to FY2028). Revenue growth rates of the provision of hospitality services segment for FY2025 to FY2029 range between 9% to 17% (2023: N/A).

##### (ii) Budgeted gross margin

The budgeted gross margins for the trading of duty free goods, dutiable and non-dutiable merchandise segment was 18.5% (2023: 22% to 24%) which was based on the average gross margin achieved in past years. The budgeted gross margins for the provision of hospitality services segment are in the range of 52% to 62% (2023: N/A) which was based on average gross margin achieved in past years.

##### (iii) Duty free licences

The duty free business requires a number of licences, which include duty free shop licence, wholesale dealer's licence, bonded warehouse licence and/or liquor import licence. It is assumed that the licences will be renewed upon their expiry on terms and conditions which are not less favourable.

##### (iv) Long-term growth rates

The forecasted long-term growth rates were based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period for both segments are 2.2% (2023: 2.2%).

##### (v) Pre-tax discount rate

The pre-tax discount rates applied to the cash flow projections for trading of duty free goods, dutiable and non-dutiable merchandise segment are 14.3% to 14.5% (2023: 15.4% to 15.6%) based on the weighted average cost of capital of the Group. The pre-tax discount rate applied to the cash flow projections for the provision of hospitality related services segment is 13.5% (2023: N/A).

#### (c) Sensitivity to changes in assumptions

With regards to the assessment of value in use of all CGUs, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the units to materially exceed their recoverable amounts.

## Notes to the Financial Statements

(Cont'd)

**17. INTANGIBLE ASSETS**

	Contracts on hand Group 2024 RM'000
<b>Cost</b>	
At beginning of the financial year	–
Acquisition of a subsidiary (Note 18 (c))	356
At end of the financial year	356
<b>Accumulated amortisation</b>	
At beginning of the financial year	–
Amortisation	178
At end of the financial year	178
<b>Net carrying amount</b>	<b>178</b>

Contracts on hand relate to the agreements entered with the lodges' owners to provide them with rental services and estate management services for the Group's hospitality business that were acquired in the business combination. The useful lives of the contracts on hand are estimated based on the current contract duration. The amortisation of contracts on hand is included in profit or loss.

**18. INVESTMENT IN SUBSIDIARIES**

	Company	
	2024 RM'000	2023 RM'000
Quoted equity instruments, at cost		
outside Malaysia	686,963	686,963
Unquoted shares, at cost	390,531	326,797
	1,077,494	1,013,760
Less: Accumulated impairment losses	(375,969)	(375,969)
	701,525	637,791

In the previous financial year, the Company subscribed for 25,000,000 Convertible Redeemable Preference Shares ("CRPS") fully paid up in the capital of Naluri Properties Sdn. Bhd. by way of capitalisation of debts amounting to RM25,000,000 owing to the Company.

## Notes to the Financial Statements

(Cont'd)

### 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 29 February 2024, are as follows:

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2024 %	2023 %	
Arah Induk Sdn. Bhd.	100	100	Dormant
Atlan Properties Sdn. Bhd.	100	100	Investment holding
Atlan Technology Sdn. Bhd.	100	100	Dormant
Atlan Orient Sdn. Bhd.	100	100	Dormant
Naluri Properties Sdn. Bhd.	100	100	Property investment, general construction and apartment hotel business
Duty Free International Limited ("DFIL") (Incorporated in Singapore) +^	76	76	Investment holding
United Industries Holdings Sdn. Bhd. ("UIH")	100	100	Investment holding
Blossom Time Sdn. Bhd.	100	100	Property development
Timeless Image Sdn. Bhd. *	–	100	Investment holding
RZ Equities Sdn. Bhd. **	–	100	Dormant
Atlan Assets Sdn. Bhd. *	–	100	Dormant
Atlan Management Sdn. Bhd.	100	100	Providing various administration, advisory, management, planning, functions and assistance to its holding company and related companies

## Notes to the Financial Statements

(Cont'd)

**18. INVESTMENT IN SUBSIDIARIES (CONT'D)**

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 29 February 2024, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2024 %	2023 %	
Atlan Development Sdn. Bhd.	100	100	Dormant
Ocean Pride Sdn. Bhd.	100	100	Dormant
Belia Karisma Sdn. Bhd. *	–	100	Dormant
Gardenia Success Sdn. Bhd. *****	100	100	Dormant
Belle Isle Hotels (Cornwall) Management Limited (Incorporated in United Kingdom) #	100	–	Operator of a luxury hotel and spa
Immugen Sdn. Bhd.	90	–	Dormant
<b>Held through DFIL</b>			
DFZ Capital Sdn. Bhd. ("DFZ")	76	76	Investment holding
Darul Metro Sdn. Bhd.	76	76	Dormant
Orchard Boulevard Sdn. Bhd.	76	76	Investment holding and resort development
Zon Duty Free Pte. Ltd. (Incorporated in Singapore) #	76	76	Wholesaler and distributor of duty free and non-dutiable merchandise
Brand Connect Holding Pte. Ltd. (Incorporated in Singapore) ****	59	59	Investment holding

## Notes to the Financial Statements

(Cont'd)

### 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 29 February 2024, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2024 %	2023 %	
<b>Held through DFZ</b>			
DFZ Trading Sdn. Bhd.	76	76	Investment holding and management services
Selasih Eksklusif Sdn. Bhd.	76	76	Retailer of duty free and non-dutiable merchandise
Winner Prompt Sdn. Bhd.	76	76	Licensed distributor and wholesaler of duty free merchandise
Emas Kerajang Sdn. Bhd. @	53	53	Retailer of duty free and non-dutiable merchandise
Seruntun Maju Sdn. Bhd. @	53	53	Retailer of duty free and non-dutiable merchandise
<b>Held through Darul Metro Sdn. Bhd.</b>			
Binamold Sdn. Bhd.	76	76	Property investment
<b>Held through Orchard Boulevard Sdn. Bhd.</b>			
Gold Vale Development Sdn. Bhd.	76	76	Dormant
Kelana Megah Sdn. Bhd. @	31	31	Dormant
Cergasjaya Properties Sdn. Bhd.	76	76	Resort development, properties management and cultivation of oil palm

## Notes to the Financial Statements

(Cont'd)

**18. INVESTMENT IN SUBSIDIARIES (CONT'D)**

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 29 February 2024, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2024 %	2023 %	
<b>Held through Orchard Boulevard Sdn. Bhd. (Cont'd)</b>			
Black Forest Golf and Country Club Sdn. Bhd.	76	76	Dormant
Tenggara Senandung Sdn. Bhd.	76	76	Dormant
DFZ Asia Sdn. Bhd.	76	76	Investment holding
PT DFZ Indon (Incorporated in Indonesia) #	75	75	Dormant
<b>Held by Brand Connect Holding Pte. Ltd.</b>			
Drinks Hub Asia Pte. Ltd. (Incorporated in Singapore) #****	59	59	Wholesaler of beverages
Brand Connect Asia Pacific Pte. Ltd. (Incorporated in Singapore) #****	59	59	Wholesaler of beverages
<b>Held through DFZ Trading Sdn. Bhd.</b>			
Cergasjaya Sdn. Bhd.	76	76	Wholesaler and retailer of duty free and non-dutiable merchandise
Melaka Duty Free Sdn. Bhd.	39	39	Retailer of duty free and non-dutiable merchandise
DFZ Duty Free Supplies Sdn. Bhd.	76	76	Wholesaler and distributor of duty free and non-dutiable merchandise

## Notes to the Financial Statements

(Cont'd)

### 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 29 February 2024, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2024 %	2023 %	
<b>Held through DFZ Trading Sdn. Bhd. (Cont'd)</b>			
Jasa Duty Free Sdn. Bhd.	76	76	Retailer of duty free and non-dutiable merchandise
DFZ Emporium Sdn. Bhd. @	22	22	Retailer of duty free and non-dutiable merchandise
DFZ (M) Sdn. Bhd. @	53	53	Retailer of duty free and non-dutiable merchandise
Wealthouse Sdn. Bhd. @	22	22	Retailer of duty free and non-dutiable merchandise
Jelita Duty Free Supplies Sdn. Bhd.	76	76	Wholesaler and distributor of duty free and non-dutiable merchandise
DFZ Duty Free (Langkawi) Sdn. Bhd.	76	76	Retailer of duty free and non-dutiable merchandise
Zon Emporium Sdn. Bhd.	76	76	Dormant
DFZ Utara Sdn. Bhd. ***	76	76	Dormant
<b>Held through DFZ Asia Sdn. Bhd.</b>			
PT DFZ Indon (Incorporated in Indonesia) #	1	1	Dormant
<b>Held through Brand Connect Asia Pacific Pte. Ltd.</b>			
Brand Connect Pte. Ltd. (Incorporated in Singapore) #****	59	59	Retail sale of beverages

## Notes to the Financial Statements

(Cont'd)

**18. INVESTMENT IN SUBSIDIARIES (CONT'D)**

- (a) Details of the subsidiaries, which were incorporated and operate in Malaysia (unless otherwise indicated), as at 29 February 2024, are as follows (Cont'd):

Name of Company	Proportion of ownership interest in ordinary shares		Principal activities
	2024 %	2023 %	
<b>Held through UIH</b>			
United Industries Sdn. Bhd.	100	100	Manufacturing and marketing of exhaust systems and other automotive component parts
United Sanoh Industries Sdn. Bhd.	70	70	Manufacturing and distribution of brake, fuel, other automotive component parts and clutch tubings
UVI Advance Technology Sdn. Bhd.	100	100	Dormant
<b>Held through UIH and United Industries Sdn. Bhd.</b>			
United Vehicles Industries Sdn. Bhd.	100	100	Manufacturing and marketing of fuel tanks, other automotive component parts and wheelbarrows

+ A corporation listed on Singapore Stock Exchange ("SGX-ST")

^ Audited by member firm of Ernst & Young Global in Singapore

# Audited by a firm other than Ernst & Young PLT.

@ Accounted as subsidiaries with 76% effective ownership as the Group has full control in the entities through the terms of non-voting Convertible Redeemable Preference Shares and shareholder agreements entered into by the Group and the non-controlling interests.

\* Company was struck off with effect from 2 March 2023.

\*\* Company was struck off with effect from 4 September 2023.

\*\*\* Company was struck off with effect from 4 March 2024.

\*\*\*\* An application for striking off of the company has been submitted on 9 April 2024.

\*\*\*\*\* An application for striking off of the company has been submitted on 30 May 2024.

## Notes to the Financial Statements

(Cont'd)

### 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests

The Group regards DFIL and its subsidiaries (“DFIL Group”) and United Sanoh Industries Sdn. Bhd. (“USISB”) as subsidiaries which have non-controlling interests that are material to the Group. The equity interest held by non-controlling interests are as follows:

	DFIL Group		USISB	
	2024 %	2023 %	2024 %	2023 %
Equity interest held by non-controlling interests	24	24	30	30

The summarised financial information of DFIL Group and USISB is set out below. The information presented below is based on the amounts before inter-company elimination.

(i) Summarised statements of financial position

	DFIL Group		USISB	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current assets	176,005	174,110	14,392	13,731
Current assets	305,638	304,006	60,310	51,441
<b>Total assets</b>	<b>481,643</b>	<b>478,116</b>	<b>74,702</b>	<b>65,172</b>
Current liabilities	26,662	27,117	36,465	21,767
Non-current liabilities	106,701	106,508	3,037	4,229
<b>Total liabilities</b>	<b>133,363</b>	<b>133,625</b>	<b>39,502</b>	<b>25,996</b>
<b>Net assets</b>	<b>348,280</b>	<b>344,491</b>	<b>35,200</b>	<b>39,176</b>
Equity attributable to owners of the company	261,094	258,044	24,640	27,423
Non-controlling interests	87,186	86,447	10,560	11,753
	<b>348,280</b>	<b>344,491</b>	<b>35,200</b>	<b>39,176</b>

## Notes to the Financial Statements

(Cont'd)

**18. INVESTMENT IN SUBSIDIARIES (CONT'D)**

(b) Subsidiaries with material non-controlling interests (Cont'd)

(ii) Summarised statements of comprehensive income

	DFIL Group		USISB	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	157,252	151,797	99,079	78,077
Profit for the financial year	14,041	15,420	5,007	5,751
Profit attributable to:				
Owners of the company	10,582	11,754	3,505	4,026
Non-controlling interests	3,459	3,666	1,502	1,725
	14,041	15,420	5,007	5,751
Item that may be reclassified to profit or loss in subsequent periods				
- Foreign currency translation	478	563	-	-
Items that will not be reclassified to profit or loss in subsequent periods				
- Remeasurement gain on defined benefit plans	-	-	22	23
- Income tax effect	-	-	(5)	(6)
Total comprehensive income	14,519	15,983	5,024	5,768
Total comprehensive income attributable to:				
Owners of the company	11,155	12,179	3,517	4,038
Non-controlling interests	3,364	3,804	1,507	1,730
	14,519	15,983	5,024	5,768
Dividends paid to non-controlling interests	2,590	1,957	2,700	1,800

## Notes to the Financial Statements

(Cont'd)

### 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subsidiaries with material non-controlling interests (Cont'd)

(iii) Summarised statements of cash flows

	DFIL Group		USISB	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net cash generated/ (used in) from:				
- Operating activities	43,159	(1,778)	22,117	7,692
- Investing activities	5,143	5,460	(2,991)	(3,685)
- Financing activities	(23,038)	(4,795)	(10,474)	(968)
Net increase/(decrease) in cash and cash equivalents	25,264	(1,113)	8,652	3,039
Effects of foreign exchange rate changes	5,738	4,461	-	-
Cash and cash equivalents at beginning of the financial year	146,809	143,461	11,811	8,772
Cash and cash equivalents at end of the financial year	177,811	146,809	20,463	11,811

The summarised financial information of Immugen Sdn. Bhd. ("ISB") is not included as ISB is a dormant company and its financial information is not material to the Group.

(c) Acquisition of subsidiaries

- (i) During the financial year, the Company subscribed for 900,000 ordinary shares of RM1 each in Immugen Sdn. Bhd. at an issue price of RM1 per share amounting to RM900,000.
- (ii) On 3 April 2023 ("acquisition date"), the Company completed the property sale and purchase agreement ("Property SPA") with Belle Isle Property Ltd ("BIP") for the purchase of The Cornwall Hotel Spa & Estate ("Property"), assets 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 and 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") following the respective payments of the balance consideration. Following the completion of the Property SPA, Assets SPA and Shares SPA, BIM became a wholly owned subsidiary of the Company and the owner of the Property and the existing assets and liabilities which relate to the Property's operations.

## Notes to the Financial Statements

(Cont'd)

**18. INVESTMENT IN SUBSIDIARIES (CONT'D)**

## (c) Acquisition of subsidiaries (Cont'd)

## (ii) (Cont'd)

BIM is engaged in the business of managing the Property that is involved in the hospitality business in United Kingdom.

The fair value of the identifiable assets and liabilities arising from the acquisitions as at the acquisition date were:

	Fair value recognised on acquisition RM'000
<b>Assets</b>	
Property, plant and equipment (Note 13)	62,001
Intangible assets – contracts on hand (Note 17)	356
Inventories	156
Trade and other receivables	2,220
Cash and cash equivalents	1,694
	66,427
<b>Liabilities</b>	
Trade and other payables	(5,561)
	<b>Total net identifiable net assets at fair value</b>
	60,866
Goodwill arising on acquisition (Note 16)	1,968
	<b>Purchase consideration transferred</b>
	62,834
	Total cash consideration transferred
	62,834
<b>Effect of the acquisitions on cash flows</b>	
Total consideration for 100% equity interest acquired	62,834
Less: cash and cash equivalent of subsidiary acquired	(1,694)
	Net cash outflow on acquisition
	61,140

Impact of acquisition on profit or loss

From the acquisition date, BIM has contributed RM24,055,000 of revenue and net profit of RM717,000 to the Group's results for the year.

## Notes to the Financial Statements

(Cont'd)

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### 18. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Impairment loss recognised

The management of the Company has carried out a review of the recoverable amount of its investment in subsidiaries. The recoverable amount was based on the higher of fair value less cost to sell and value-in-use. The value-in-use calculation for DFIL was derived from probability-based cash flow projections based on the financial forecasts with key assumptions approved by management covering a five-year period. The financial forecasts which were approved include the management's different scenarios of possible recovery of passenger traffic at outlets located at airports and land borders. Based on the assessment, no further provision for or reversal of impairment loss (2023: reversal of impairment loss of RM149,076,000) was recognised for the financial year 29 February 2024.

The key assumptions used in value-in-use calculations are presented below:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year, increased for expected efficiency improvements. The budgeted gross margins are in the range from 35% to 37% (2023: 32% to 36%).

(ii) Revenue growth rates

The revenue projection for the first year is determined based on approved financial budgets. Revenue growth rates for financial year ("FY") 2025 range between 12% to 17% and 8% to 20% for FY2026 to FY2029. (2023: 2024 ranged between 19% to 27% and 3% to 37% for FY2025 to FY2028).

(iii) Long-term growth rates

The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 2.2% (2023: 2.2%).

(iv) Pre-tax discount rate

The pre-tax discount rate applied to the probability-based discounted cash flow projections is 12.1% to 12.2% based on weighted average cost of capital of the Group (2023: 14.9% to 15.2%).

## Notes to the Financial Statements

(Cont'd)

**19. INVESTMENT IN AN ASSOCIATE**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares in Malaysia, at cost	437	437	437	437
Less: Accumulated impairment loss	-	-	(70)	(137)
	437	437	367	300
Shares of post acquisition results	(70)	(137)	-	-
	367	300	367	300
Represented by:				
Share of net assets of an associate	367	300	367	300

The particulars of the associate, which is incorporated in Malaysia, are as follows:

Name of Company	Proportion of ownership interest		Principal activities
	2024	2023	
	%	%	
Scandinavian Avionics (Malaysia) Sdn. Bhd. #	25	25	Sale of aviation related electrical instruments and the provision of Avionics support services

# Audited by a firm other than Ernst & Young PLT

The financial year end of the associate is 31 December. The results of the associate are accounted for in the Group's financial statements under the equity method, based on the most recently available audited financial statements and the unaudited management financial statements of the associate made up to period ended 29 February 2024.

The associate requires the parent's consent to distribute its profits. The parent does not foresee giving such consent at the reporting date.

The associate had no contingent liabilities or capital commitments as at 29 February 2024 or 28 February 2023.

The summarised financial information of the associate is set out below and represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

## Notes to the Financial Statements

(Cont'd)

### 19. INVESTMENT IN AN ASSOCIATE (CONT'D)

(a) Summarised statement of financial position

	Group	
	2024 RM'000	2023 RM'000
Non-current assets	2,698	2,770
Current assets	370	379
<b>Total assets</b>	<b>3,068</b>	<b>3,149</b>
Current liabilities, representing total liabilities	1,599	1,949
<b>Net assets</b>	<b>1,469</b>	<b>1,200</b>

(b) Summarised statement of comprehensive income

	Group	
	2024 RM'000	2023 RM'000
Revenue	6,900	7,807
Profit net of tax, representing total comprehensive income	269	576

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the associate

	Group	
	2024 RM'000	2023 RM'000
Net assets at beginning of the financial year	1,200	624
Profit net of tax	269	576
<b>Net assets at end of the financial year</b>	<b>1,469</b>	<b>1,200</b>
Interest in the associate	25%	25%
<b>Carrying value of Group's interest in the associate</b>	<b>367</b>	<b>300</b>

## Notes to the Financial Statements

(Cont'd)

**20. OTHER INVESTMENTS**

	Group	
	2024 RM'000	2023 RM'000
Unquoted shares at cost - in Malaysia	24	21
Corporate golf club and vacation club memberships at cost	123	123
Less: Accumulated amortisation	(10)	(10)
	113	113
	137	134

**21. PREPAYMENTS**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Current</b>				
Prepaid rental	–	3,400	–	–
Prepaid other operating expenses	3,883	3,228	27	27
	3,883	6,628	27	27
<b>Non-current</b>				
Prepaid development return *	4,000	4,000	–	–
<b>Total prepayments</b>	7,883	10,628	27	27
Amount to be charged out to profit or loss:				
- Not later than 1 year	3,883	6,628	27	27
- Later than 1 year but not later than 5 years	4,000	4,000	–	–
	7,883	10,628	27	27

Included in prepaid rental is the rental paid in advance by the Group in relation to one of the Group's retail outlets.

\* Related to development return paid to the State Government of Johor and City Council of Johor.

## Notes to the Financial Statements

(Cont'd)

### 22. DEFERRED TAX

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	1,901	1,795
Recognised in profit or loss (Note 10)	(1,456)	68
Recognised in equity	5	38
At end of the financial year	450	1,901
<b>Presented after appropriate offsetting as follows:</b>		
Deferred tax assets	(8,397)	(7,736)
Deferred tax liabilities	8,847	9,637
	450	1,901

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

#### Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Right-of-use Assets RM'000	Total RM'000
At 1 March 2023	11,728	21,443	33,171
Recognised in profit or loss	205	(1,046)	(841)
At 29 February 2024	11,933	20,397	32,330
At 1 March 2022	12,324	20,809	33,133
Recognised in profit or loss	(596)	634	38
At 28 February 2023	11,728	21,443	33,171

## Notes to the Financial Statements

(Cont'd)

**22. DEFERRED TAX (CONT'D)**

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (Cont'd):

**Deferred tax assets of the Group:**

	Unutilised tax losses and unabsorbed capital allowances RM'000	Others RM'000	Lease liability RM'000	Total RM'000
At 1 March 2023	(4,985)	(826)	(25,459)	(31,270)
Recognised in profit or loss	767	(1,620)	238	(615)
Recognised in equity	–	5	–	5
At 29 February 2024	(4,218)	(2,441)	(25,221)	(31,880)
At 1 March 2022	(5,919)	(1,645)	(23,774)	(31,338)
Recognised in profit or loss	934	781	(1,685)	30
Recognised in equity	–	38	–	38
At 28 February 2023	(4,985)	(826)	(25,459)	(31,270)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	52,733	52,681	818	818
Unabsorbed reinvestment allowances	9,711	9,711	–	–
Unutilised tax losses	249,404	249,384	–	–
Other deductible temporary differences	105,919	106,117	–	–
	417,767	417,893	818	818

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they arose from subsidiaries that have insufficient profits to fully utilise these unabsorbed capital allowances, unabsorbed reinvestment allowances, unutilised tax losses and other deductible temporary differences in the foreseeable future.

## Notes to the Financial Statements

(Cont'd)

### 22. DEFERRED TAX (CONT'D)

The unabsorbed capital allowances, unabsorbed reinvestment allowances and unutilised tax losses are available for offsetting against future taxable profits subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority. The ability to carry forward unutilised tax losses and unabsorbed reinvestment allowances are restricted to a maximum period of seven consecutive Year of Assessment ("YA"), effective YA 2019. Based on the latest Malaysian Finance Act gazetted on 31 December 2021, the time limit for the carry forward of the unused tax losses has been extended from 7 years to 10 years. As a result of this change, the unused tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment and any balance of the unused tax losses thereafter shall be disregarded.

The unabsorbed capital allowances, unabsorbed reinvestment allowances, and unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholding of those entities under Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group	
	2024 RM'000	2023 RM'000
<b>Utilisation period</b>		
With no expiry	56,604	55,667
Within 5 years	239,853	239,368
Within 6 to 10 years	33,378	37,610
	329,835	332,645

### 23. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
<b>Cost</b>		
Raw materials	24,382	23,030
Work in progress	6,677	5,934
Trading goods	77,960	89,806
Finished goods	1,549	2,136
Inventory properties <sup>^</sup>	13,665	13,665
Consumables	159	241
Goods in transit	1,269	1,119
Food and beverages	168	-
	125,829	135,931

<sup>^</sup> The inventory properties are pledged as securities for revolving credit facilities as disclosed in Note 32.

## Notes to the Financial Statements

(Cont'd)

**23. INVENTORIES (CONT'D)**

During the financial year, the amount of inventories recognised as an expense in the income statements was RM262,519,000 (2023: RM231,020,000).

Inventories are written down to the estimated net realisable value. The net realisable value of the inventories are determined based on the expected sales.

The inventories written down mainly relate to selected inventories for which sales are expected to be low.

**24. BIOLOGICAL ASSETS**

	Group	
	2024 RM'000	2023 RM'000
<b>At fair value</b>		
At beginning of the financial year	178	155
(Loss)/Gain arising from changes in fair value	(8)	23
At end of the financial year	170	178

The Group's biological assets refer to fresh fruit bunches ("FFB"), which are used to produce Crude Palm Oil ("CPO") and Palm Kernel ("PK"). The fair values of FFB are determined by using the total sales figure in the following month with the assumption that all the fruits harvested are sold subsequently to the customer.

During the financial year, the Group produced approximately 2,500 tonnes (2023: 2,600 tonnes) of FFB. The selling prices per tonne for those FFB based on CPO and PK selling price ranging between RM1,900 to RM4,200 (2023: RM2,200 to RM5,900) and contracted pre-determined extraction rates of CPO and PK as agreed with the buyer of FFB crop.

## Notes to the Financial Statements

(Cont'd)

### 25. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>				
<b>Other receivables</b>				
Due from subsidiaries	–	–	3,102	3,004
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	34,540	35,199	–	–
Less: Allowance for impairment	(308)	(554)	–	–
Trade receivables, net	34,232	34,645	–	–
<b>Other receivables</b>				
Due from subsidiaries	–	–	17,201	16,965
Less: Allowance for impairment	–	–	(17,100)	(16,965)
	–	–	101	–
Deposit paid for proposed acquisitions	–	11,495	–	11,495
Deposits	4,899	4,379	2	3
Due from Berjaya Waterfront Sdn. Bhd.	30,098	40,338	–	–
Sundry receivables	4,315	2,628	2	16
Less: Allowance for impairment	39,312 (161)	58,840 (68)	4 –	11,514 –
Other receivables, net	39,151	58,772	105	11,514
Total current trade and other receivables, net	73,383	93,417	105	11,514
Total trade and other receivables	73,383	93,417	3,207	14,518
Add: Cash and bank balances (Note 28)	238,593	207,174	12,131	25,052
Total financial assets carried at amortised cost	311,976	300,591	15,338	39,570

## Notes to the Financial Statements

(Cont'd)

**25. TRADE AND OTHER RECEIVABLES (CONT'D)**Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 120 days (2023: 14 to 120 days) terms. Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Due from subsidiaries

The amounts owing from subsidiaries are unsecured and are recoverable on demand. The interest bearing and non-interest bearing amounts are as follows:

	Company	
	2024 RM'000	2023 RM'000
Interest bearing	3,102	3,004
Non interest bearing	101	–
	3,203	3,004

The effective interest on the interest bearing amount is 5.0% (2023: 5.0%) per annum.

Due from Berjaya Waterfront Sdn. Bhd. (“Berjaya Waterfront”)

The amount due from Berjaya Waterfront arose from uncollected portion of the sale consideration for the disposal of the Group's interests over leasehold properties in The Zon Johor Bahru, which was completed in March 2013. This balance is subject to interest throughout the term that the balance was outstanding. The interest rate was initially set at 6% per annum but was revised to 9% per annum from 16 July 2015 to 15 April 2022. The interest rate was revised to 7% per annum from 16 April 2022 onwards

The balance of RM40.0 million was scheduled to be repaid on or before 15 April 2024. In July 2023, the Group entered into an agreement with Berjaya Waterfront to offset the rental payments due from the Group's subsidiary, Selasih Eksklusif Sdn Bhd against the RM40.0 million balance receivable from Berjaya Waterfront. As at 15 April 2024, a rental payable of RM11.7 million had been set off against the total outstanding receivable from Berjaya Waterfront, resulting in an outstanding receivable balance from Berjaya Waterfront of RM28.3 million (excluding interest receivables).

On 15 April 2024, both parties had mutually agreed that Berjaya Waterfront shall pay the remaining deferred consideration of RM28.3 million on or before 15 April 2025 and Berjaya Waterfront will continue to pay interest at 7% per annum on the unpaid consideration on a quarterly basis.

The amount is guaranteed by Berjaya Waterfront's holding company.

## Notes to the Financial Statements

(Cont'd)

### 25. TRADE AND OTHER RECEIVABLES (CONT'D)

#### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
Neither past due nor impaired	30,865	28,562
1 to 30 days past due not impaired	604	2,417
31 to 60 days past due not impaired	374	2,038
61 to 90 days past due not impaired	1,019	248
91 to 120 days past due not impaired	140	628
More than 120 days past due not impaired	1,230	752
Past due but not impaired	3,367	6,083
Impaired	308	554
	34,540	35,199

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of these balances have been renegotiated during the financial year.

#### Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,367,000 (2023: RM6,083,000) that are past due at the reporting date but not impaired. Although these balances are unsecured in nature, they are mostly due from creditworthy debtors.

None of these balance have been renegotiated during the financial year.

## Notes to the Financial Statements

(Cont'd)

**25. TRADE AND OTHER RECEIVABLES (CONT'D)**Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2024	2023
	RM'000	RM'000
<b>Individually impaired</b>		
Trade receivables - nominal amounts	308	554
Less: Allowance for impairment	(308)	(554)
	-	-

## Movement in allowance accounts:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	554	1,383
Charge for the year	23	8
Written back	(57)	(648)
Write off against trade receivables	(212)	(216)
Exchange difference	-	27
At end of the financial year	308	554

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in legal disputes or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its trade receivable balances on an account-by-account basis. Hence, all impairment losses are provided for specific trade receivable balances. Management is of the opinion that there is no further factor that warrants the consideration of additional impairment losses on a collective basis.

## Notes to the Financial Statements

(Cont'd)

### 25. TRADE AND OTHER RECEIVABLES (CONT'D)

#### Other receivables that are impaired

Other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2024 RM'000	2023 RM'000
<b>Individually impaired</b>		
Sundry receivables - nominal amounts	161	68
Less: Allowance for impairment	(161)	(68)
	-	-

	Company	
	2024 RM'000	2023 RM'000
<b>Individually not impaired</b>		
Due from subsidiaries	3,203	3,004
<b>Individually impaired</b>		
Due from subsidiaries - nominal amounts	17,100	16,965
	20,303	19,969
Less: Allowance for impairment	(17,100)	(16,965)
	3,203	3,004

#### Movement in allowance accounts:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the financial year	68	141	16,965	16,984
Charge for the year	93	-	289	105
Reversal	-	(43)	-	-
Write off against other receivables	-	(30)	(154)	(124)
At end of the financial year	161	68	17,100	16,965

Sundry receivables that are individually determined to be impaired at the reporting date relate to debtors that are in legal disputes or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Management conducts periodic assessment on its sundry receivable balances on an account-by-account basis. Hence, all impairment losses are provided for specific sundry receivable balances. Management is of the opinion that there is no further factor that warrants the consideration of additional impairment losses on a collective basis.

## Notes to the Financial Statements

(Cont'd)

**26. MARKETABLE SECURITIES**

	Group and Company	
	2024	2023
	RM'000	RM'000

At fair value:

Held for trading investments		
Equity instruments		
- Quoted outside Malaysia	2	4

Changes in fair value

During the financial year, the Group and the Company have recognised a decrease in fair value amounting to RM2,000 (2023: increase of RM2,000) with regards to the equity instruments.

**27. DERIVATIVE ASSETS**

	2024	2023
	RM'000	RM'000
Current	21	29

	2024		2023	
	Notional amount	Assets	Notional amount	Assets
	RM'000	RM'000	RM'000	RM'000

**Group**

Forward currency contracts	596	21	1,093	29
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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 year, the Group recognised loss on forward foreign exchange contracts amounting to RM8,000 (2023: gain of RM29,000) arising from fair value changes of financial derivatives. The fair value changes are attributable to changes in foreign exchange and forward rate.

## Notes to the Financial Statements

(Cont'd)

### 28. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash on hand and at banks	83,430	83,483	963	1,350
Deposits with licenced banks	155,163	123,691	11,168	23,702
	238,593	207,174	12,131	25,052

Cash at banks earns interest at floating rates based on daily bank deposit rates. Deposits with licenced banks are made for varying periods of between one day and one year (2023: one day and one year) depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective deposit rates. The effective interest rates for the Group and the Company were 0.3% to 3.39% (2023: 0.3% to 2.87%) per annum and 0.3% to 3.1% (2023: 0.3% to 2.87%) per annum, respectively.

Deposits with licenced banks of the Group amounting to RM10,251,000 (2023: RM13,110,000) are pledged to banks for credit facilities granted to certain subsidiaries as disclosed in Note 32.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash on hand and at banks	83,430	83,483	963	1,350
Deposits with licenced banks	155,163	123,691	11,168	23,702
	238,593	207,174	12,131	25,052
Deposits pledged with licenced banks	(10,251)	(13,110)	–	–
Cash and cash equivalents	228,342	194,064	12,131	25,052

## Notes to the Financial Statements

(Cont'd)

**29. TRADE AND OTHER PAYABLES**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade payables</b>				
Third parties	57,222	48,888	–	–
<b>Other payables</b>				
Sundry payables	11,481	10,279	90	94
Sales and Service Tax (“SST”) payable	12	20	–	–
Accruals	25,668	13,086	273	678
Deposits payable	2,654	3,293	–	–
Rental payable	1,081	798	–	–
Royalty payable	2,266	1,544	–	–
	43,162	29,020	363	772
Total trade and other payables	100,384	77,908	363	772
Add: Borrowings (Note 32)	80,577	37,573	64,986	19,934
Add: Lease liabilities (Note 33)	106,966	104,116	–	–
Total financial liabilities carried at amortised cost	287,927	219,597	65,349	20,706

Trade payables

The amounts are non-interest bearing. The credit terms of trade payables normally range from 30 to 120 days (2023: 30 to 120 days).

Sundry payables

The amounts are non-interest bearing. Sundry payables are normally settled on an average term of 30 to 120 days (2023: 30 to 120 days).

## Notes to the Financial Statements

(Cont'd)

### 30. PROVISION FOR RESTORATION COSTS

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	870	782
Provision during the year	–	88
Written off during the year	(166)	–
At end of the financial year	704	870

#### Analysis of present value of restoration costs:

Not later than 1 year	–	198
Later than 1 year and not later than 5 years	704	672
	704	870
Less: Amount due within 12 months	–	(198)
Amount due after 12 months	704	672

Provision for restoration costs is recognised when the Group enters into a lease agreement for the premises and represents the estimated costs of asset dismantlement, removal or restoration of premises. The premises, which are capitalised and included in right-of-use assets and property, plant and equipment, shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

### 31. EMPLOYEE BENEFITS

The Group's defined benefit plan is unfunded and is only applicable to employees who are in the scope of the two Collective Agreements signed between the National Union of Transport Equipment and Allied Industries Workers and 3 subsidiaries of the Group.

The latest signed Collective Agreements are for the period from 1 March 2020 to 28 February 2023 and they shall subsist until superseded by new Collective Agreements.

Based on the latest signed Collective Agreements, employees who retire upon reaching the optional retirement age of 55 up to the mandatory retirement age of 60, retire on medical grounds as certified by the appointed Company Doctor, or employees who pass away while in the employ of the Group are eligible to receive the retirement benefit. This retirement benefit ceases with effect from 31 December 2016 and the benefit shall be calculated up to 31 December 2016 for eligible employees upon the employees retiring on attaining the retirement age.

The same Collective Agreements stated that in place of the above retirement benefit, eligible employees shall receive an additional 1% based on their basic salary, in respect of the Group's contribution to the Employees Provident Fund.

## Notes to the Financial Statements

(Cont'd)

**31. EMPLOYEE BENEFITS (CONT'D)**

- (a) The amounts recognised in the statements of financial position are determined as follows:

	Group	
	2024 RM'000	2023 RM'000
Present value of unfunded obligations, representing recognised liability for defined benefit obligations	1,852	2,139
Analysed as:		
<b>Current</b>	514	434
<b>Non-current:</b>		
Later than 1 year but not later than 2 years	155	238
Later than 2 years but not later than 5 years	496	569
Later than 5 years	687	898
	1,338	1,705
Total employee benefits	1,852	2,139

- (b) Movement in the net liability recognised in the statements of financial position:

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	2,139	2,626
Remeasurement gain on other comprehensive income	(20)	(159)
Benefits paid	(267)	(328)
At end of the financial year	1,852	2,139

## Notes to the Financial Statements

(Cont'd)

### 31. EMPLOYEE BENEFITS (CONT'D)

- (c) Principal actuarial assumptions used at the reporting date (expressed as weighted average):

	Group	
	2024 %	2023 %
Discount rate	4.0	4.2

- (d) A quantitative sensitivity analysis of the change in the rates as at 29 February 2024 and 28 February 2023 is shown below:

	Increase/ (decrease) %	Group Impact on defined benefit obligations	
		2024 RM'000	2023 RM'000
Discount rate	1.0	(107)	(113)
Discount rate	(1.0)	107	113

- (e) The expected benefit payments in future years are as follows:

	Group	
	2024 RM'000	2023 RM'000
Not later than 1 year	557	452
Later than 1 year and not later than 5 years	779	924
Later than 5 years and not later than 10 years	663	761
More than 10 years	419	626
	2,418	2,763

## Notes to the Financial Statements

(Cont'd)

**32. BORROWINGS**

	Maturity	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Current</b>					
Secured:					
Bankers' acceptances	2025	5,663	5,718	–	–
Revolving credit	2025	7,000	–	7,000	–
Term loans	2025	6,596	6,952	4,986	4,959
		19,259	12,670	11,986	4,959
Unsecured:					
Revolving credit	2025	10,000	10,000	10,000	10,000
		29,259	22,670	21,986	14,959
<b>Non-current</b>					
Secured:					
Revolving credits	2026-2030	43,000	–	43,000	–
Term loans	2026-2031	8,318	14,903	–	4,975
		51,318	14,903	43,000	4,975
Total borrowings		80,577	37,573	64,986	19,934
<b>Total borrowings</b>					
Bankers' acceptances		5,663	5,718	–	–
Revolving credit		60,000	10,000	60,000	10,000
Term loans		14,914	21,855	4,986	9,934
Total borrowings		80,577	37,573	64,986	19,934
<b>Maturity of borrowings</b>					
Not later than 1 year		29,259	22,670	21,986	14,959
Later than 1 year and not later than 5 years		33,656	10,806	28,000	4,975
More than 5 years		17,662	4,097	15,000	–
		80,577	37,573	64,986	19,934

## Notes to the Financial Statements

(Cont'd)

### 32. BORROWINGS (CONT'D)

The borrowings are secured by way of:

- fixed charges on certain properties of the Group with a net carrying amount of RM27,100,000 (2023: RM28,980,000);
- deposits with licenced banks of the Group amounting to RM10,251,000 (2023: RM13,110,000);
- fixed and floating charges over all present and future assets of certain subsidiaries;
- corporate guarantees by the Company and by certain subsidiaries of the Group; and
- inventory properties of the Group amounting to RM13,665,000 (2023: RM Nil).

#### Bankers' acceptances

Bankers' acceptances bear interest rates ranging from 4.34% to 4.81% (2023: 4.1% to 4.67%) per annum. The bankers' acceptances are secured by corporate guarantees from certain subsidiaries of the Group.

#### Term loans

Term loans bear interest at base lending rate minus 0.50% and at 1.2% per annum above cost of funds. The term loan is secured by certain investment properties of the Group and corporate guarantee by the Company.

#### Revolving credits

The secured revolving credit bears interest at 2% above cost of funds and is secured by inventory properties of the Group. The unsecured revolving credit bears interest at 5.30% per annum (2023: 4.95%) per annum.

### 33. LEASE LIABILITIES

		Group	
		2024	2023
		RM'000	RM'000
<b>Current</b>			
Hire-purchase liabilities	(a)	–	49
Other lease liabilities	(b)	5,156	1,447
		5,156	1,496
<b>Non-current</b>			
Other lease liabilities	(b)	101,810	102,620
Total lease liabilities		106,966	104,116

## Notes to the Financial Statements

(Cont'd)

**33. LEASE LIABILITIES (CONT'D)****(a) Hire purchase liabilities**

	Group	
	2024 RM'000	2023 RM'000
<b>Future minimum payments:</b>		
Not later than 1 year	–	50
Less: Future finance charges	–	(1)
Present value of hire purchase liabilities	–	49
<b>Analysis of present value of hire purchase liabilities:</b>		
Not later than 1 year	–	49
Less: Amount due within 12 months	–	(49)
Amount due after 12 months	–	–

Hire purchase liabilities

These obligations are secured by a charge over the hire purchase assets (Note 13). The average discount rates implicit in the leases of the Group at the end of the previous financial year was 2.99%.

## Notes to the Financial Statements

(Cont'd)

### 33. LEASE LIABILITIES (CONT'D)

#### (b) Other lease liabilities

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	104,067	95,987
Additions *	8,121	2,853
Accretion of interest (Note 9)	7,219	6,708
Lease concessions received	-	(117)
Lease termination	(42)	28
Payments of:		
- Principal	(5,325)	(1,193)
- Interest	(7,074)	(199)
At end of the financial year	106,966	104,067
Analysed as:		
Current	5,156	1,447
Non-current	101,810	102,620
	106,966	104,067

\* The addition of lease liabilities was netted off with the prepaid rental of RM3,400,000 (Note 21).

The maturity analysis of lease liabilities are disclosed in Note 40(b).

## Notes to the Financial Statements

(Cont'd)

**33. LEASE LIABILITIES (CONT'D)****(b) Other lease liabilities (Cont'd)**

The following are the amounts recognised in profit or loss:

	Group	
	2024 RM'000	2023 RM'000
Depreciation expense of right-of-use assets	9,780	8,208
Interest expense on lease liabilities	7,219	6,708
Impairment loss on right-of-use assets	84	85
Lease concessions received	–	(117)
Lease concessions received related to prior year	–	(47)
Expenses relating to short-term leases	718	1,196
<b>Total amount recognised in profit and loss</b>	<b>17,801</b>	<b>16,033</b>

The Group had total cash outflows for leases of RM13,618,000 (2023: RM7,301,000) for the financial year ended 29 February 2024. The Group also had non-cash additions to right-of-use assets and lease liabilities of RM8,121,000 (2023: RM2,853,000) for the financial year ended 29 February 2024.

The future cash outflows which are not capitalised in lease liabilities:

**Variable lease payments**

The Group has lease contracts for retail stores that contain variable lease payments based on a percentage of sales generated by the stores, on top of fixed payments. The variable lease payments incurred and recognised in profit or loss amounted to RM581,000 (2023: RM4,939,000) for the financial year ended 29 February 2024.

**34. SHARE CAPITAL**

	Number of shares '000	Share Capital (Issued and fully paid) RM'000
<b>Group and Company</b>		
At 1 March 2023 and 29 February 2024	253,650	356,528
At 1 March 2022 and 28 February 2023	253,650	356,528

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

## Notes to the Financial Statements

(Cont'd)

### 35. OTHER RESERVE

Other reserve arises from changes in the Group's equity interest in subsidiaries.

	Group	
	2024 RM'000	2023 RM'000
At beginning of the financial year	(75,560)	(78,102)
Allotment of new ordinary shares by a subsidiary	–	1
Derecognition of put options liability	–	2,541
At end of the financial year	(75,560)	(75,560)

With the transactions above, the Company's equity interest in DFIL is 75.53% (2023: 75.53%) as at 29 February 2024.

### 36. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 29 February 2024 and 28 February 2023 under the single tier system.

### 37. COMMITMENTS

#### Capital commitments

	Group	
	2024 RM'000	2023 RM'000
Capital expenditure		
<u>Approved and contracted for:</u>		
Property, plant and equipment	3,573	678
Development return	9,500	9,500
<u>Approved but not contracted for:</u>		
Property, plant and equipment	5,693	9,435
	18,766	19,613

Included in capital expenditure is RM9,500,000 (2023: RM9,500,000) in relation to development return payable to the State Government of Johor and City Council of Johor.

## Notes to the Financial Statements

(Cont'd)

**38. RELATED PARTY DISCLOSURES****(a) Significant transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Acquisition of property and assets from BIP <sup>^</sup>	62,834	–	62,834	–
Dividend income from subsidiaries	–	–	(26,105)	(14,398)
Donation to Yayasan Harmoni <sup>*</sup>	350	500	–	–
Interest income from subsidiaries	–	–	(103)	(814)
Management fee charged by a subsidiary	–	–	1,900	1,000

<sup>\*</sup> Dato' Sri Adam Sani Bin Abdullah is the founder and executive chairman of Yayasan Harmoni, a non-profitable non-government organisation.

<sup>^</sup> Dato' Sri Adam Sani Bin Abdullah is deemed interested in BIP by virtue of his indirect interest in Chesterwood Ventures Limited, being the registered shareholder of BIP.

**(b) Compensation of key management personnel**

The remuneration of certain directors and other members of key management during the financial year were as follows:

	Group	
	2024 RM'000	2023 RM'000
Short-term employee benefits	4,842	3,962
Defined contribution plan	466	364
	5,308	4,326

Included in the remuneration of total key management personnel are:

	Group	
	2024 RM'000	2023 RM'000
Directors' remuneration (excluding fees)	1,759	1,706

## Notes to the Financial Statements

(Cont'd)

### 39. FAIR VALUE OF ASSETS AND LIABILITIES

#### (a) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### (b) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of each class of assets and liabilities carried at fair value by level of fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>At 29 February 2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	2	–	–	2
Derivative assets (Note 27)	–	21	–	21
<b>Non-financial assets:</b>				
Biological assets (Note 24)	–	–	170	170
<b>Assets for which fair values are disclosed</b>				
Investment properties (Note 14)	–	–	70,398	70,398

## Notes to the Financial Statements

(Cont'd)

**39. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)****(b) Fair value of assets and liabilities that are carried at fair value (Cont'd)**

The following table shows an analysis of each class of assets and liabilities carried at fair value by level of fair value hierarchy (Cont'd):

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>At 28 February 2023</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	4	–	–	4
Derivative assets (Note 27)	–	29	–	29
<b>Non-financial assets:</b>				
Biological assets (Note 24)	–	–	178	178
<b>Assets for which fair values are disclosed</b>				
Investment properties (Note 14)	–	–	72,736	72,736
<b>Company</b>				
<b>At 29 February 2024</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	2	–	–	2
<b>At 28 February 2023</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
Marketable securities (Note 26)	4	–	–	4

## Notes to the Financial Statements

(Cont'd)

### 39. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

**(c) Level 1 fair value measurements**

Marketable securities (Note 26): Fair value is determined directly by reference to their published market bid price at the reporting date (Level 1).

**(d) Level 2 fair value measurements**

Derivatives (Note 27): Forward currency contracts are valued using a valuation technique with market observable inputs (Level 2). The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

**(e) Level 3 fair value measurements**

The following is a description of the fair value measurements using significant unobservable inputs (Level 3):

Biological assets (Note 24): The fair values of bearer fruits are determined by using the total sales figure in the following month with the assumptions of all the fruits harvested are sold subsequently to the customer.

**(f) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value:

	Note
Trade and other receivables (current)	25
Trade and other payables (current)	29
Borrowings (current)	32

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, 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.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amounts due from/(to) holding company, subsidiaries and a related company and finance lease obligations.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

## Notes to the Financial Statements

(Cont'd)

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### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Group and by the Company. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been, throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's credit risk is primarily attributable to trade receivables.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

## Notes to the Financial Statements

(Cont'd)

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (a) Credit risk (Cont'd)

The Group considers “low risk” to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower’s ability to meet its obligations
- Actual or expected significant changes in the operating results of the customer
- Significant increases in credit risk on other financial instruments of the same customer
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of borrowers in the group and changes in the operating results of the customer

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

A summary of the Group’s basis for recognition of the Group’s expected credit loss (“ECL”) for trade receivables, debt securities and other receivable is as follows:

Assets classifications	Basis for recognition of expected credit loss provision
Trade receivables	Lifetime ECL (simplified approach)
Debt securities	12-month ECL
Other receivables	12-month ECL
Due from Berjaya Waterfront Sdn. Bhd.	Lifetime ECL

The gross carrying amount of trade and other receivables are disclosed in Note 25.

## Notes to the Financial Statements

(Cont'd)

**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(a) Credit risk (Cont'd)**Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 29 February 2024 and 28 February 2023 incorporates forward looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix.

29 February 2024	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
Gross carrying amount	31,469	374	1,019	1,678	34,540
Loss allowance provision	–	–	–	(308)	(308)

28 February 2023	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
Gross carrying amount	30,979	2,038	248	1,934	35,199
Loss allowance provision	–	–	–	(554)	(554)

Debt securities and other receivables

The company's debt securities at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers 'low credit risk' for the debt securities when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

As for other receivables including amount due from Berjaya Waterfront Sdn. Bhd., the Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in. The Group measured the impairment loss allowance using general approach of ECL and determined that the ECL is insignificant.

Excessive risk concentration

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets, except for the amount due from Berjaya Waterfront Sdn. Bhd. as described in Note 25.

## Notes to the Financial Statements

(Cont'd)

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (a) Credit risk (Cont'd)

##### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- Nominal amount of RM87,400,000 (2023: RM94,880,000) relating to corporate guarantees provided by the Company as securities for banking facilities to certain subsidiaries.

##### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2024			2023
	RM'000	% of total	RM'000	% of total
<b>By business segments:</b>				
Property and hospitality	520	2%	464	1%
Trading of duty free goods, dutable and non-dutable merchandise	1,380	4%	1,981	6%
Automotive	32,332	94%	32,200	93%
	34,232	100%	34,645	100%

##### Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

##### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 25.

## Notes to the Financial Statements

(Cont'd)

**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(b) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

As at 29 February 2024, the Group's holdings of cash and short-term deposits amounting to RM228,342,000 (2023: RM194,064,000) are expected to be sufficient for working capital purposes as well as meet its on-going financial commitments in the next financial year.

**Analysis of financial instruments by remaining contractual maturities**

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	← 2024 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	73,383	–	–	73,383
Derivative assets	21	–	–	21
Cash and bank balances	238,593	–	–	238,593
<b>Total undiscounted financial assets</b>	<b>311,997</b>	<b>–</b>	<b>–</b>	<b>311,997</b>
<b>Financial liabilities:</b>				
Trade and other payables	100,384	–	–	100,384
Borrowings	32,489	47,633	11,309	91,431
Lease liabilities	11,898	61,678	90,016	163,592
<b>Total undiscounted financial liabilities</b>	<b>144,771</b>	<b>109,311</b>	<b>101,325</b>	<b>355,407</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>167,226</b>	<b>(109,311)</b>	<b>(101,325)</b>	<b>(43,410)</b>

## Notes to the Financial Statements

(Cont'd)

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (b) Liquidity risk (Cont'd)

##### Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Cont'd).

	← 2024 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Company</b>				
<b>Financial assets:</b>				
Other receivables	3,207	–	–	3,207
Cash and bank balances	12,131	–	–	12,131
<b>Total undiscounted financial assets</b>	<b>15,338</b>	<b>–</b>	<b>–</b>	<b>15,338</b>
<b>Financial liabilities:</b>				
Other payables	363	–	–	363
Borrowings	24,768	41,281	8,038	74,087
<b>Total undiscounted financial liabilities</b>	<b>25,131</b>	<b>41,281</b>	<b>8,038</b>	<b>74,450</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>(9,793)</b>	<b>(41,281)</b>	<b>(8,038)</b>	<b>(59,112)</b>

## Notes to the Financial Statements

(Cont'd)

**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(b) Liquidity risk (Cont'd)****Analysis of financial instruments by remaining contractual maturities (Cont'd)**

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Cont'd).

	← 2023 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Group</b>				
<b>Financial assets:</b>				
Trade and other receivables	93,417	–	–	93,417
Derivative assets	29	–	–	29
Cash and bank balances	207,174	–	–	207,174
<b>Total undiscounted financial assets</b>	<b>300,620</b>	<b>–</b>	<b>–</b>	<b>300,620</b>
<b>Financial liabilities:</b>				
Trade and other payables	77,908	–	–	77,908
Borrowings	23,842	12,500	4,377	40,719
Lease liabilities	10,720	54,919	101,232	166,871
<b>Total undiscounted financial liabilities</b>	<b>112,470</b>	<b>67,419</b>	<b>105,609</b>	<b>285,498</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>188,150</b>	<b>(67,419)</b>	<b>(105,609)</b>	<b>15,122</b>

## Notes to the Financial Statements

(Cont'd)

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (b) Liquidity risk (Cont'd)

##### Analysis of financial instruments by remaining contractual maturities (Cont'd)

The table below summarises the maturity profile of the Group's and of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Cont'd).

	← 2023 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	
<b>Company</b>				
<b>Financial assets:</b>				
Other receivables	14,518	–	–	14,518
Cash and bank balances	25,052	–	–	25,052
<b>Total undiscounted financial assets</b>	<b>39,570</b>	<b>–</b>	<b>–</b>	<b>39,570</b>
<b>Financial liabilities:</b>				
Other payables	772	–	–	772
Borrowings	15,625	5,304	–	20,929
<b>Total undiscounted financial liabilities</b>	<b>16,397</b>	<b>5,304</b>	<b>–</b>	<b>21,701</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>23,173</b>	<b>(5,304)</b>	<b>–</b>	<b>17,869</b>

## Notes to the Financial Statements

(Cont'd)

**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flows interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's and of the Company's profit before tax (mainly through the impact on interest expense on floating rate loans and borrowings). The assumed movement in the basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	Increase/ (Decrease) in basis points	Effect on profit before tax RM'000
<b>Group</b>		
<b>29 February 2024</b>		
Ringgit Malaysia	+10	37
Ringgit Malaysia	-10	(37)
Singapore Dollar	+10	10
Singapore Dollar	-10	(10)
<b>28 February 2023</b>		
Ringgit Malaysia	+10	48
Ringgit Malaysia	-10	(48)
Singapore Dollar	+10	19
Singapore Dollar	-10	(19)

## Notes to the Financial Statements

(Cont'd)

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (c) Interest rate risk (Cont'd)

	Increase/ (Decrease) in basis points	Effect on profit before tax RM'000
<b>Company</b>		
<b>29 February 2024</b>		
Ringgit Malaysia	+10	(64)
Ringgit Malaysia	-10	64
Singapore Dollar	+10	10
Singapore Dollar	-10	(10)
<b>28 February 2023</b>		
Ringgit Malaysia	+10	(15)
Ringgit Malaysia	-10	15
Singapore Dollar	+10	19
Singapore Dollar	-10	(19)

#### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the Group's functional currency. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Singapore Dollar ("SGD"), Thai Baht ("THB"), Indonesian Rupiah ("IDR"), Japanese Yen ("JPY"), Chinese Yuan ("CNY") and Australian Dollar ("AUD"). Approximately 34% (2023: 39%) of the Group's purchases are denominated in foreign currencies. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and cash equivalents denominated in USD, GBP and SGD for working capital purposes.

## Notes to the Financial Statements

(Cont'd)

**40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(d) Foreign currency risk (Cont'd)**Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the USD, SGD, THB, IDR, JPY, CNY and AUD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2024	2023
		RM'000	RM'000
<b>Group</b>			
USD/RM	- strengthened 3% (2023: 3%)	264	291
	- weakened 3% (2023: 3%)	(264)	(291)
SGD/RM	- strengthened 3% (2023: 3%)	313	569
	- weakened 3% (2023: 3%)	(313)	(569)
THB/RM	- strengthened 3% (2023: 3%)	(83)	(58)
	- weakened 3% (2023: 3%)	83	58
IDR/RM	- strengthened 3% (2023: 3%)	(73)	(36)
	- weakened 3% (2023: 3%)	73	36
JPY/RM	- strengthened 3% (2023: 3%)	(316)	(201)
	- weakened 3% (2023: 3%)	316	201
CNY/RM	- strengthened 3% (2023: 3%)	(33)	(30)
	- weakened 3% (2023: 3%)	33	30
SGD/USD	- strengthened 3% (2023: 3%)	(12)	(20)
	- weakened 3% (2023: 3%)	12	20
AUD/USD	- strengthened 3% (2023: 3%)	-	(11)
	- weakened 3% (2023: 3%)	-	11
<b>Company</b>			
SGD/RM	- strengthened 3% (2023: 3%)	305	561
	- weakened 3% (2023: 3%)	(305)	(561)

**(e) Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group does not have significant exposure to commodity price risk.

## Notes to the Financial Statements

(Cont'd)

### 41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year under review.

The Group monitors capital using a gearing ratio, which is total external debt divided by total capital.

The Group ensures that the gearing ratio shall not be more than 2.0 times to comply with covenants from its borrowings.

The Group includes within total external debt, all financial borrowings of the Group. Total external debt due and payable within 12 months consists of bankers' acceptances, bank overdrafts, term loans, revolving credit, interest payable and current portion of hire purchase liabilities. Capital includes equity attributable to owners of the parent and non-controlling interests.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Borrowings (non-current)	51,318	14,903	43,000	4,975
Borrowings (current excluding term loans, i.e. due and payable within 12 months)	22,663	15,718	17,000	10,000
Borrowings (current - term loans)	6,596	6,952	4,986	4,959
Hire purchase liabilities	–	49	–	–
<b>Total external debt</b>	<b>80,577</b>	<b>37,622</b>	<b>64,986</b>	<b>19,934</b>
<b>Total equity</b>	<b>507,469</b>	<b>505,135</b>	<b>651,906</b>	<b>656,964</b>
<b>Gearing ratio (times)</b>	<b>0.16</b>	<b>0.07</b>	<b>0.10</b>	<b>0.03</b>

## Notes to the Financial Statements

(Cont'd)

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### 42. SEGMENT INFORMATION

#### (a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services. The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

#### (b) Business segments

The Group comprises the following main business segments:

- (i) Investment holding;
- (ii) Property and hospitality;
- (iii) Trading of duty free goods, dutiable and non-dutiable merchandise; and
- (iv) Automotive.

Other business segments mainly consist of provision of corporate services, dormant and inactive companies, none of which are of a sufficient size to be reported separately.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

#### (c) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The directors are of the opinion that transfer prices between business segments are based on negotiated prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

## Notes to the Financial Statements

(Cont'd)

### 42. SEGMENT INFORMATION (CONT'D)

2024

	Investment holding RM'000	Property and hospitality RM'000	Trading of dutiable and non-dutiable merchandise RM'000	Automotive RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
<b>Revenue:</b>								
External customers	4,048	30,980	156,805	261,725	2	-	A	453,560
Inter-segment	26,208	655	-	-	6,500	(33,363)		-
<b>Total revenue</b>	<b>30,256</b>	<b>31,635</b>	<b>156,805</b>	<b>261,725</b>	<b>6,502</b>	<b>(33,363)</b>		<b>453,560</b>
<b>Results:</b>								
Depreciation and amortisation	-	(5,575)	(10,529)	(6,795)	(388)	478		(22,809)
Gain arising from changes in fair value of biological assets	-	(8)	-	-	-	-		(8)
Share of results of an associate	67	-	-	-	-	-		67
Impairment loss on right-of-use assets	-	(84)	-	-	-	-		(84)
Other non-cash expenses	-	-	375	(833)	-	-	B	(458)
Segment profit/(loss)	6,874	(1,941)	19,383	27,067	(6,298)	(11,698)	C	33,387
<b>Assets:</b>								
Investment in associates	367	-	-	-	-	-		367
Additions to non-current assets	-	909	2,193	9,875	171	-	D	13,148
Segment assets	106,848	150,686	278,115	178,062	78,054	16,214	E	807,979
<b>Liabilities:</b>								
Segment liabilities	1,118	5,350	124,765	72,400	6,273	90,604	F	300,510

## Notes to the Financial Statements

(Cont'd)

## 42. SEGMENT INFORMATION (CONT'D)

2023

	Investment holding RM'000	Property and hospitality RM'000	Trading of dutiable and non-dutiable merchandise RM'000	Automotive RM'000	Others RM'000	Adjustments and eliminations RM'000	Note	Per consolidated financial statements RM'000
<b>Revenue:</b>								
External customers	2,108	8,626	150,581	219,946	3	-		381,264
Inter-segment	15,212	655	-	-	6,700	(22,567)	A	-
Total revenue	17,320	9,281	150,581	219,946	6,703	(22,567)		381,264
<b>Results:</b>								
Depreciation	-	(4,510)	(10,056)	(5,521)	(390)	655		(19,822)
Gain arising from changes in fair value of biological assets	-	23	-	-	-	-		23
Share of results of an associate	144	-	-	-	-	-		144
Impairment loss on right-of-use assets	-	-	(85)	-	-	-		(85)
Other non-cash expenses	-	-	4,813	283	-	-	B	5,096
Segment profit/(loss)	5,106	(401)	19,737	23,971	(6,024)	(8,852)	C	33,537
<b>Assets:</b>								
Investment in associates	300	-	-	-	-	-		300
Additions to non-current assets	-	16	391	6,237	28	-	D	6,672
Segment assets	123,861	164,406	269,258	161,142	1,296	17,748	E	737,711
<b>Liabilities:</b>								
Segment liabilities	1,577	5,461	121,963	54,690	1,342	47,543	F	232,576

## Notes to the Financial Statements

(Cont'd)

### 42. SEGMENT INFORMATION (CONT'D)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:

	Note	2024 RM'000	2023 RM'000
Reversal of impairment loss on receivables	5	57	691
Impairment loss on receivables	8	(116)	(8)
Inventories written down	8	(1,369)	(391)
Inventories written off	8	(124)	(2,561)
Inventories written back	5	1,138	7,370
Property, plant and equipment written off	8	(44)	(5)
		(458)	5,096

C The following items are deducted from segment profit to arrive at "Profit before tax" presented in the income statements:

	2024 RM'000	2023 RM'000
Share of results of an associate	(67)	(144)
Finance costs	11,765	8,995
	11,698	8,851

D Additions to non-current assets consist of:

	2024 RM'000	2023 RM'000
Property, plant and equipment	13,133	6,672
Investment properties	15	–
	13,148	6,672

E The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	2024 RM'000	2023 RM'000
Investment in associates	367	300
Deferred tax assets	8,397	7,736
Tax recoverable	7,450	9,712
	16,214	17,748

## Notes to the Financial Statements

(Cont'd)

**42. SEGMENT INFORMATION (CONT'D)**

- F The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:

	2024 RM'000	2023 RM'000
Deferred tax liabilities	8,847	9,637
Tax payable	1,180	333
Borrowings	80,577	37,573
	90,604	47,543

**43. SIGNIFICANT AND SUBSEQUENT EVENTS**

- (a) On 20 October 2022, on behalf of the Board of Directors of the Company, Affin Hwang Investment Bank Berhad ("AHIBB") announced that Atlan 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") amounting 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 amounting 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") amounting 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 ("date of acquisition"), on behalf of the Board of Directors of the Company, 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.

In accordance with MFRS 3, Business Combinations, the Group has a period of twelve (12) months from the date of the acquisition (the "Measurement Period") to complete the purchase price allocation ("PPA").

The Group completed the valuation of the PPA within the Measurement Period and adjustments were made to the fair value of net assets, provisional intangible assets and goodwill recorded at the date of the acquisition.

## Notes to the Financial Statements

(Cont'd)

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### 43. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

- (b) 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 RM10,000,000 and RM3,500,000 as development return to the State Government of Johor and MBJB respectively.

As of 29 February 2024, a partial payment totalling RM4.0 million had been made to the State Government of Johor and MBJB. The outstanding balance of RM9.5 million was subsequently paid in full on 18 March 2024. In accordance with 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 land title is still pending completion.

# Analysis of Shareholdings

as at 31 May 2024

## Directors' Direct and Deemed Interests in the Company and/or its subsidiary companies

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 the Directors' interests in the Company and its subsidiaries are as follows:-

Name	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Dato' Sri Adam Sani Bin Abdullah	–	–	130,319,214 <sup>(1)</sup>	51.38

### Notes:-

- (1) Deemed interested held through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of himself being the Settlor, initial Protector and a primary beneficiary of Trust.

## LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MAY 2024 (As shown in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Chesterfield Trust Company Limited as Trustees of The Lim Family Trust	–	–	130,319,214 <sup>(1)</sup>	51.38
Lim Family Holdings Limited	–	–	130,319,214 <sup>(2)</sup>	51.38
Distinct Continent Sdn. Bhd.	83,220,340	32.81	–	–
Alpretz Capital Sdn. Bhd.	47,098,874	18.57	–	–
Dato' Sri Adam Sani Bin Abdullah	–	–	130,319,214 <sup>(3)</sup>	51.38
Berjaya Corporation Berhad	44,200,000	17.43	23,083,600 <sup>(4)</sup>	9.10
Juara Sejati Sdn. Bhd.	13,900,000	5.48	5,650,000 <sup>(5)</sup>	2.23
Berjaya Group Berhad	–	–	23,083,600 <sup>(6)</sup>	9.10

### Notes:-

- (1) Deemed interested through Lim Family Holdings Limited in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- (2) Deemed interested through Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- (3) Deemed interested held through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of himself being the Settlor, initial Protector and a primary beneficiary of Trust.
- (4) Deemed interested by virtue of its interest in Inter-Pacific Capital Sdn. Bhd., Berjaya Philippines Inc., Juara Sejati Sdn. Bhd., Teras Mewah Sdn. Bhd. and REDTone Digital Berhad.
- (5) Deemed interested by virtue of his interest in Inter-Pacific Capital Sdn. Bhd., Berjaya Philippines Inc. and REDTone Digital Berhad.
- (6) Deemed interested by virtue of its interest in Inter-Pacific Capital Sdn. Bhd., Berjaya Philippines Inc., Juara Sejati Sdn. Bhd., Teras Mewah Sdn. Bhd. and REDTone Digital Berhad.

## Analysis of Shareholdings

(Cont'd)

### ANALYSIS OF SHAREHOLDINGS AS AT 31 MAY 2024

Class of Shares : Ordinary shares

Voting Rights : One (1) vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MAY 2024

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	202	18.57	4,739	0.00
100 – 1,000	331	30.42	124,574	0.05
1,001 – 10,000	392	36.03	1,343,335	0.53
10,001 – 100,000	96	8.82	2,937,886	1.16
100,001 to less than 5% of issued shares	64	5.88	165,577,125	65.28
5% and above of issued shares	3	0.28	83,662,750	32.98
<b>TOTAL</b>	<b>1,088</b>	<b>100.00</b>	<b>253,650,409</b>	<b>100.00</b>

### THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 MAY 2024

Name of Shareholders	No. of Shares Held	%
1. Distinct Continent Sdn. Bhd.	52,825,000	20.83
2. ABB Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd. (Adam Sani)	16,337,750	6.44
3. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	14,500,000	5.72
4. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	12,264,313	4.84
5. Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. - IP Credits for Alpretz Capital Sdn. Bhd.	10,500,000	4.14
6. RHB Nominees (Tempatan) Sdn. Bhd. - Bank of China (Malaysia) Berhad Pledged Securities Account for Berjaya Corporation Berhad	10,500,000	4.14
7. Lembaga Tabung Angkatan Tentera	9,757,600	3.85
8. Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	9,400,000	3.71
9. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Kar Beau	8,577,000	3.38
10. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Distinct Continent Sdn. Bhd.	7,730,223	3.05
11. Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Alpretz Capital Sdn. Bhd.	7,464,061	2.94

## Analysis of Shareholdings

(Cont'd)

**THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 MAY 2024 (CONT'D)**

Name of Shareholders	No. of Shares Held	%
12. RHB Nominees (Tempatan) Sdn. Bhd. - OSK Capital Sdn Bhd for Berjaya Corporation Berhad	6,220,000	2.45
13. AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Juara Sejati Sdn. Bhd.	5,400,000	2.13
14. Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	5,000,000	1.97
15. RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Juara Sejati Sdn. Bhd.	5,000,000	1.97
16. Phoon Ching Heong	3,995,554	1.58
17. CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	3,970,000	1.57
18. RHB Nominees (Tempatan) Sdn. Bhd. - Bank Of China (Malaysia) Berhad Pledged Securities Account for Distinct Continent Sdn. Bhd.	3,600,000	1.42
19. Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teras Mewah Sdn. Bhd.	3,533,000	1.39
20. CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Juara Sejati Sdn. Bhd.	3,500,000	1.38
21. Inter-Pacific Equity Nominees (Asing) Sdn. Bhd. - Berjaya Philippines Inc.	3,100,000	1.22
22. CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Berjaya Corporation Berhad	3,000,000	1.18
23. AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Berjaya Corporation Berhad	2,930,000	1.16
24. RHB Nominees (Tempatan) Sdn. Bhd. - Bank of China (Malaysia) Berhad Pledged Securities Account for Distinct Continent Sdn. Bhd.	2,727,367	1.08
25. Ong Ai Ee	2,535,155	1.00
26. Alpretz Capital Sdn. Bhd.	2,370,500	0.93
27. Chew Soo Lin	2,340,834	0.92
28. Ong Kar Beau	2,000,000	0.79
29. RHB Nominees (Tempatan) Sdn. Bhd. - Bank of China (Malaysia) Berhad Pledged Securities Account for Inter-Pacific Capital Sdn. Bhd.	2,000,000	0.79
30. AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account – Ambank (M) Berhad for Berjaya Corporation Berhad	1,900,000	0.75

## List of Properties

for financial year ended 29 February 2024

Location	Description	Existing Use	Tenure / Expiry Date	Age of Building Years	Approx Areas Sq Metre	Net Book Value as at 29 February 2024 RM'mil	Date of Acquisition
1 Lot No. 1, Section 63, Town of Kuala Lumpur, Wilayah Persekutuan	Office building, hotel apartment building and building under construction	Registered office, office block for rent and hotel apartments for letting	Leasehold (60 years - expiring 2038) renewable for a further 30 years	Office building (38), Hotel apartment (27)	18,701.20	37.31	1974
2 Lot PT 482 HS(M) 19/1981, Mukim Sungai Laka, Daerah Kubang Pasu, Kedah Darul Aman	Double storey shophouse	Vacant	Leasehold (99 years - expiring 2080)	37	297.00	0.06	1987
3 Lot 2224 HS(M) 1/1987, PT 1443, Bukit Kayu Hitam, Mukim Sungai Laka, Daerah Kubang Pasu, Kedah Darul Aman	A single storey warehouse annexed to a double storey shopping complex and 30 units of single storey lock-up shops and ancillary building	Duty Free shopping complex and warehouse	Leasehold (60 years - expiring 2072)	36	17,978.00	1.93	1987
4 Lot 127-142 & 169-174, PT 1889-1904 & 1931-1936, HS(M) 135/1989-150/1989 & 177/1989-182/1989, Bandar Baru Laka Temin, Mukim Sungai Laka, Daerah Kubang Pasu, Kedah Darul Aman	22 units single storey terrace house	Staff quarters	Leasehold (99 years - expiring 2088)	31	3,216.00	0.33	1996
5 Lot 475, Seksyen 1, Bandar Batu Ferringhi, Daerah Timur Laut, Pulau Pinang	Vacant land	Vacant land	Freehold	N/A	2,346.00	-	2003
6 Lot 3688, 3689 & PT 2209, Bukit Kayu Hitam, Mukim Sungai Laka, Daerah Kubang Pasu, Kedah Darul Aman	Vacant land, part of which is Golf and Country Club	Rented out and partly cultivated with oil palms	Leasehold (60 years - expiring 2053 and 2057)	26	3,127,220.00	33.46	1993 & 1997

## List of Properties

(Cont'd)

Location	Description	Existing Use	Tenure / Expiry Date	Age of Building Years	Approx Areas Sq Metre	Net Book Value as at 29 February 2024 RM'mil	Date of Acquisition
7 Lot 44 Premises No. 42/1/2&3, Kompleks Munshi Abdullah, Jalan Munshi Abdullah, 75100 Melaka	4 & 1/2 storey shophouse	Vacant	Leasehold (99 years - expiring 2102)	39	522.00	0.36	1992
8 Lot 4720, Mukim Titi Tinggi, 2 Jalan Baru Sadao, 02100 Padang Besar, Perlis	Store	Store	Leasehold (60 years - expiring 2054)	30	9,474.00	8.68	1994
9 Lot 3548, Mukim Titi Tinggi, 2 Jalan Baru Sadao, 02100 Padang Besar, Perlis	Warehouse annexed to a single storey shopping complex	Duty Free Complex and warehouse	Leasehold (60 years - expiring 2050)	32	14,658.00		1990
10 Lot 2063, Mukim Titi Tinggi, Padang Besar, 30 Bangunan PKENPs, Jalan Besar, 02100 Padang Besar, Perlis	Double storey shophouse	Rented out	Freehold	37	112.00	0.14	1990
11 Shop Lot Nos 47 & 48, Mukim Titi Tinggi, Padang Besar, 3D & 4D Kompleks Arked Niaga PKENPs, 02100 Padang Besar, Perlis	Shoplot	Rented out	Leasehold (99 years - expiring 2084)	34	59.46	0.21	1990
12 PN 108045, Lot 4858, Mukim Pengkalan Hulu, District of Hulu Perak, Perak Darul Ridzuan	Duty Free Complex	Duty Free Complex	Leasehold (60 years - expiring 2114)	34	10,116.00	7.98	1990
13 Lot No. 5017, Mukim Kapar, District of Klang, Selangor Darul Ehsan	Industrial premises	Factories, office and ancillary buildings	Freehold	20 - 39	12,140.55	12.64	1982
14 Lot No PT 54753, Mukim Kapar, District of Klang, Selangor Darul Ehsan	Industrial premises	Factory, office and warehouse	Freehold	20 - 45	24,281.00	13.91	1979

## List of Properties

(Cont'd)

Location	Description	Existing Use	Tenure / Expiry Date	Age of Building Years	Approx Areas Sq Metre	Net Book Value as at 29 February 2024 RM'mil	Date of Acquisition	
15	8 Persiaran Kampung Jawa, No Hakmilik 6711, Lot 9891, Mukim 12, Daerah Barat Daya, Pulau Pinang	Factory land and building	Business and office premises	Leasehold (99 years expiring 2113)	26	4,354.00	4.52	2002
16	Pajakan Negeri No 3839, Lot no 11618, Mukim 12, Daerah Barat Daya, Pulau Pinang	Factory land	Business and office premises	Leasehold (99 years expiring 2111)	N/A	1,106.00		2001
17	PS 1641-A, Kawasan Perindustrian Pulau Sebang, 78000 Alor Gajah, Melaka	A single-storey open-sided detached factory	Factory	Leasehold (99 years expiring on 23 Oct 2100)	8	2,323.04	2.20	2017
18	Lot 204-5A forming part and parcel of land held under HS(D) 23110 PT 2223, Mukim Pegoh, Daerah Alor Gajah, Negeri Melaka	Freehold industrial land	Factory	Freehold	5	5,312.95	15.25	2019
19	Pentewan Road, Tregorrick, St Austell, Cornwall, PL26 7AB UK	65 Bedroom hotel, Spa building and approximately 30 acres of estate land	Hospitality & leisure	Freehold	14	Buildings - 5,256 Land - 121,406	67.50	2023

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Thirty-Fifth Annual General Meeting (“35<sup>th</sup> AGM”) of Atlan Holdings Bhd. (“Company”) will be conducted **virtually** for the purpose of considering and if thought fit, passing with or without modification, the resolutions set out in this notice: -

- Day and Date** : **Wednesday, 31 July 2024**
- Time** : **11:00 a.m.**
- Broadcast Venue** : **Boardroom, 18<sup>th</sup> Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur**
- Online Meeting Platform** : Securities Services ePortal at <https://sshsb.net.my/>
- Modes of Communication** : Typed text in the Online Meeting Platform

## AGENDA

### As Ordinary Business: -

- |   |   |
|---|---|
| <p>1. To receive the Audited Financial Statements for the financial year ended 29 February 2024 together with the Reports of the Directors and Auditors thereon.</p>  | <p><b><i>(Please refer to Explanatory Note 2)</i></b></p>   |
| <p>2. To re-elect the following Directors who retire by rotation pursuant to Regulation 100 of the Company’s Constitution and being eligible, have offered themselves for re-election: -</p> <p style="margin-left: 20px;">a) Raja Dato’ Sri Shaharudin Shah bin Raja Jalil Shah</p> <p style="margin-left: 20px;">b) Dato’ Dr Abdul Razak bin Abdul</p> <p style="margin-left: 20px;">c) Datuk Zawati binti Abd Rahman</p> | <p><b><i>Resolution 1</i></b></p> <p><b><i>Resolution 2</i></b></p> <p><b><i>Resolution 3</i></b></p> |
| <p>3. To approve the payment of Directors’ fees amounting to RM215,000 for the financial year ended 29 February 2024.</p>   | <p><b><i>Resolution 4</i></b></p>   |
| <p>4. To approve the payment of Directors’ benefits up to an amount of RM200,000 for the period commencing from 1 August 2024 until the date of the next Annual General Meeting of the Company to be held in year 2025.</p>   | <p><b><i>Resolution 5</i></b></p>   |
| <p>5. To re-appoint Messrs. Ernst &amp; Young PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.</p>   | <p><b><i>Resolution 6</i></b></p>   |
| <p>6. To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.</p>   |   |

## Notice of Annual General Meeting

(Cont'd)

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### As Special Business: -

7. **Ordinary Resolution**

**Resolution 7**

**Authority to issue shares pursuant to Companies Act 2016 and waiver of pre-emptive rights**

**“THAT** subject always to the Companies Act 2016 (the “Act”), the Company’s Constitution, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) and any relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being;

**THAT** pursuant to Section 85 of the Act to be read together with Regulation 71 of the Company’s Constitution, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

**AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

8. **Ordinary Resolution**

**Resolution 8**

**Mandate for Dato’ Woo Hon Kong who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company**

**“THAT** Dato’ Woo Hon Kong, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

By Order of the Board,

**CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)**

**THUM SOOK FUN (SSM PC No. 201908000139) (MIA 24701)**

Company Secretaries

Date: 28 June 2024

## Notice of Annual General Meeting

(Cont'd)

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**EXPLANATORY NOTES: -****1) Information for Shareholders/Proxies**

- 1.1 The 35<sup>th</sup> AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services ePortal’s platform at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the 35<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
- 1.2 The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 (“Act”) which stipulates that the Chairman of the Meeting shall be present at the main venue of the Meeting.  
  
Members/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the 35<sup>th</sup> AGM in person at the Broadcast Venue on the day of the Meeting.
- 1.3 For the purpose of determining who shall be entitled to participate and vote at this Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Regulation 77(b) of the Company’s Constitution and Paragraph 7.16(2) of the Bursa Securities MMLR, a Record of Depositors as at **24 July 2024** (“General Meeting Record of Depositors”) and a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote in the 35<sup>th</sup> AGM.
- 1.4 A member of the Company entitled to participate and vote at the 35<sup>th</sup> AGM is entitled to appoint more than one (1) proxy to participate, speak and vote in his/her stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 35<sup>th</sup> AGM. The members or their proxies may submit questions to the Company via real time submission of typed texts through a text box within Securities Services ePortal’s platform during live streaming of the 35<sup>th</sup> AGM as the primary mode of communication. In the event of any technical glitch in the primary mode of communication, shareholders and proxies may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the 35<sup>th</sup> AGM.
- 1.5 Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- 1.6 The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- 1.7 Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- 1.8 Where a member of the Company is an Exempt Authorised Nominee (“EAN”) which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (“Omnibus Account”), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds.
- 1.9 Pursuant to Paragraph 8.29A of Bursa Securities MMLR, all resolutions set out in the Notice of the 35<sup>th</sup> AGM will be put to vote on a poll.

## Notice of Annual General Meeting

(Cont'd)

1.10 The appointment of proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the 35<sup>th</sup> AGM or any adjournment thereof:-

a) In Hardcopy Form

The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

b) By Electronic Means

The Form of Proxy may also be electronically lodged via Securities Services ePortal's platform at <https://sshbsb.net.my/> or by email to [eservices@sshbsb.com.my](mailto:eservices@sshbsb.com.my).

**2) Item 1 of the Agenda - Audited Financial Statements for the financial year ended 29 February 2024**

The audited financial statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

**3) Resolutions 1, 2 and 3 : Re-election of Directors who retire by rotation pursuant to Regulation 100 of the Company's Constitution**

Regulation 100 of the Company's Constitution states that one-third (1/3) of the Directors shall retire by rotation from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

In determining the eligibility of the Directors to stand for re-election at the forthcoming AGM, the Nomination Committee ("NC") has considered the following: -

- i. Evaluation on the effectiveness of the Individual Directors, the Board as a whole and all Board Committees; and
- ii. For Independent Non-Executive Directors ("INEDs") only, the level of independence demonstrated by the INEDs and their ability to act in the best interest of the Company.

In line with Practice 6.1 of the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of the Directors of the Company based on the relevant performance criteria which include the following: -

- i. Board mix and composition;
- ii. Quality of information and decision making;
- iii. Boardroom activities;
- iv. Board's relationship with the management.

The Board approved the NC's recommendation for the re-election of the retiring Directors pursuant to Regulation 100 of the Company's Constitution at the 35<sup>th</sup> AGM of the Company. At the relevant Board meeting, all the retiring Directors under Regulation 100 of the Company's Constitution have consented to their re-election and abstained from deliberation as well as decision on their own eligibility to stand for re-election.

## Notice of Annual General Meeting

(Cont'd)

### 4) Resolutions 4 and 5 : Payment of Directors' fees and Directors' benefits made payable to the Directors

Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at 35<sup>th</sup> AGM for the payment of benefits payable to the Non-Executive Directors for the period commencing from 1 August 2024 until the date of next AGM of the Company to be held in year 2025.

The Board wishes to seek for shareholders' approval at the 35<sup>th</sup> AGM for the payment of Directors' fees and benefit payable to the Directors: -

- i) Resolution 4 on the proposed Directors' fees of RM215,000 for the financial year ended 29 February 2024 ("FY2024").

For FY2024, the Board had at its meeting held on 25 April 2024 agreed on the proposed Directors' fees of RM215,000 for FY2024 (financial year ended 28 February 2023: RM236,250).

- ii) Resolution 5 on the proposed Directors' benefits payable to the Non-Executive Directors pursuant to Section 230(1)(b) of the Act.

The benefits payable to the Directors pursuant to Section 230(1)(b) of the Act have been reviewed by the Board of the Company, which recognises that the benefits payable is in the best interest of the Company for the period commencing from 1 August 2024 until the next AGM of the Company to be held in the year 2025. The benefits comprised of benefits in kind and meeting allowance, which will only be accorded based on actual attendance of meetings by the Directors. In the event the proposed amount is insufficient e.g. due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

### 5) Resolution 6 : Re-appointment of Auditors

The Audit and Risk Management Committee ("ARMC") and the Board have considered the re-appointment of Messrs. Ernst & Young PLT as auditors of the Company, are satisfied with the performance, competency, audit approach and independence of Messrs. Ernst & Young PLT and viewed that they have met the relevant criteria prescribed by Paragraph 15.21 of Bursa Securities MMLR.

The Board endorsed the ARMC's recommendation to seek shareholders' approval to re-appoint Messrs. Ernst & Young PLT as auditors of the Company, until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

### 6) Resolution 7 : Authority to issue shares pursuant to the Act and Waiver of Pre-emptive rights

The proposed Resolution 7 is to seek for the renewal of a Previous Mandate (as defined herein) to give flexibility to the Board of Directors to issue and allot shares up to 10% of the total number of issued share (excluding treasury shares) of the Company for the time being, at any time in their absolute discretion for such purposes as the Board of Directors' consider to be in the best interest of the Company (hereinafter referred to as the "General Mandate"). This General Mandate is sought to avoid any delays and costs involved with the convening of a general meeting. This General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company has been granted a general mandate by its shareholders at the last AGM held on 27 July 2023 (hereinafter referred to as the "Previous Mandate").

## Notice of Annual General Meeting

(Cont'd)

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As at the date of this Notice, the Company did not implement its proposal for new allotment of shares under the Previous Mandate and hence, no proceeds were raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s).

The waiver of pre-emptive rights will allow the Board of Directors to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

### **7) Resolution 8 : Mandate for Dato' Woo Hon Kong to continue to act as INED of the Company**

The proposed resolution is to seek shareholders' approval to retain Dato' Woo Hon Kong ("Dato Woo") who has served on the Board as INED for a cumulative term of more than 9 years, as INED of the Company.

The Board has vide its NC conducted an assessment and reviewed the independence of Dato' Woo who has served as an INED for a term of more than 9 years. The Board is satisfied with the results and recommended that the resolution be put up for shareholders' approval for Dato' Woo to retain as an INED based on the following justifications: -

- a) He has satisfied all the criteria of an Independent Director set out in Paragraph 1.01 of the MMLR;
- b) He has remained objective and independent in expressing his view and in participating in deliberation and decision making of the Board, and
- c) His length of services on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interest of the Company.

The Company will seek Shareholders' approval annually for retaining Dato' Woo as INED with Company's present voting practice, which is in accordance with the general rule of voting as provided by the Act which states that every Shareholder has 1 vote for every share he holds and this resolution is to be passed by a simple majority for Ordinary Resolution.

### **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## Notice of Annual General Meeting

(Cont'd)

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### **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.27(2) of the Bursa Securities MMLR)

1. Details of individuals who are standing for election as Directors

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 35<sup>th</sup> AGM.

2. General Mandate for issue of securities in accordance with Paragraph 6.03(3) of the Bursa Securities MMLR

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 6 of the Notice of 35<sup>th</sup> AGM.

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**FORM OF PROXY**

<b>No. of Ordinary Shares Held</b>	<b>CDS Account No.</b>
<b>Contact No.</b>	<b>Email Address</b>

I/We, \_\_\_\_\_  
(FULL NAME AND NRIC / PASSPORT / REGISTRATION NO.)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member of **ATLAN HOLDINGS BHD 198801005893 (173250-W)** hereby appoint:-

**\*First Proxy**

<b>Full Name:-</b>	<b>NRIC/ Passport No.:-</b>	<b>Proportion of Shareholdings Represented</b>	
		<b>No. of Shares</b>	<b>%</b>
<b>Contact No.:-</b>			
<b>Full Address:-</b>			

\*and/or (delete where appropriate)

**\*Second Proxy**

<b>Full Name:-</b>	<b>NRIC/ Passport No.:-</b>	<b>Proportion of Shareholdings Represented</b>	
		<b>No. of Shares</b>	<b>%</b>
<b>Contact No.:-</b>			
<b>Full Address:-</b>			

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Thirty-Fifth Annual General Meeting ("35<sup>th</sup> AGM") of the Company to be conducted virtually at the Broadcast Venue, Boardroom, 18<sup>th</sup> Floor, Menara Atlan, 161B, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 31 July 2024 at 11.00 a.m. and at any adjournment thereof.

Please indicate your vote by a (X) in the respective box of each resolution. If no specific direction as to voting is given, the proxy will vote or abstain from voting on the resolutions at his/her discretion.

No.	Ordinary Resolutions	For	Against
<b>AS ORDINARY BUSINESS:</b>			
Resolution 1	Re-election of Raja Dato' Sri Shaharudin Shah bin Raja Jalil Shah as Director of the Company		
Resolution 2	Re-election of Dato' Dr Abdul Razak bin Abdul as Director of the Company		
Resolution 3	Re-election of Datuk Zawati binti Abd Rahman as Director of the Company		
Resolution 4	Payment of Directors' fees		
Resolution 5	Payment of Directors' benefits		
Resolution 6	Re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
<b>AS SPECIAL BUSINESS:</b>			
Resolution 7	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights		
Resolution 8	Mandate for Dato' Woo Hon Kong to continue to act as an Independent Non-Executive Director of the Company		

\* *Strike out whichever not applicable*

**Note :** Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of 35<sup>th</sup> AGM for the full purpose and intent of the Resolutions to be passed.

As witness \*my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Signature of Shareholder(s)



**Notes:-**

1. The 35<sup>th</sup> AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services ePortal's platform at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the 35<sup>th</sup> AGM in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman of the Meeting shall be present at the main venue of the Meeting. Members/Proxies/Corporate Representatives **WILL NOT BE ALLOWED** to attend the 35<sup>th</sup> AGM in person at the Broadcast Venue on the day of the Meeting.
3. For the purpose of determining who shall be entitled to participate and vote at this Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Regulation 77(b) of the Company's Constitution and Paragraph 7.16(2) of the Bursa Securities Main Market Listing Requirements ("MMLR"), a Record of Depositors as at **24 July 2024** ("General Meeting Record of Depositors") and a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote in the 35<sup>th</sup> AGM.
4. A member of the Company entitled to participate and vote at the 35<sup>th</sup> AGM is entitled to appoint more than one (1) proxy to participate, speak and vote in his/her stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 35<sup>th</sup> AGM. The members or their proxies may submit questions to the Company via real time submission of typed texts through a text box within Securities Services ePortal's platform during live streaming of the 35<sup>th</sup> AGM as the primary mode of communication. In the event of any technical glitch in the primary mode of communication, shareholders and proxies may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the 35<sup>th</sup> AGM.
5. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
6. The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
7. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
8. Where a member of the Company is an Exempt Authorised Nominee ("EAN") which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there shall be no limit to the number of proxies which the EAN may appoint in respect of each Omnibus Account it holds.
9. Pursuant to Paragraph 8.29A of MMLR, all resolutions set out in the Notice of the 35<sup>th</sup> AGM will be put to vote on a poll.
10. The appointment of proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the 35<sup>th</sup> AGM or any adjournment thereof:-
  - (a) Hardcopy Form  
The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
  - (b) By Electronic Means  
The Form of Proxy may also be electronically lodged via Securities Services ePortal's platform at <https://sshsb.net.my/> or by email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my).
11. Any alteration in this form must be initialed.

**Personal data privacy:**

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 35<sup>th</sup> AGM of the Company and any adjournment thereof.

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**THE SHARE REGISTRAR**  
**ATLAN HOLDINGS BHD.**  
Registration No. 198801005893 (173250-W)

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur

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Correspondence address:

**ATLAN HOLDINGS BHD.**

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