

Duty Free International Limited

(Company Registration No. 200102393E)

Condensed Interim Financial Statements
For the six months ended 31 August 2024

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1(a)(i) Condensed Interim Consolidated Statement of Profit or Loss

	Note	Group Second quarter ended 31 August			Group 6 month ended 31 August		
		2024	2023	Increase/ (decrease)	2024	2023	Increase/ (decrease)
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5.1	37,226	32,874	13.2%	75,531	69,984	7.9%
Changes in inventories		(2,703)	(4,904)	(44.9%)	(211)	(2,641)	(92.0%)
Inventories purchased and materials consumed		(22,404)	(16,955)	32.1%	(49,627)	(42,218)	17.5%
Other income	7.1(a)	3,192	2,229	43.2%	5,789	4,406	31.4%
Employee benefits expenses		(3,694)	(3,489)	5.9%	(7,614)	(6,976)	9.1%
Depreciation of property, plant and equipment		(758)	(799)	(5.1%)	(1,524)	(1,670)	(8.7%)
Depreciation of right-of-use assets		(2,133)	(2,034)	4.9%	(4,311)	(4,069)	5.9%
Impairment loss of right-of-use assets		–	–	0.0%	–	(84)	(<100%)
Rental of premises		(103)	(133)	(22.6%)	(195)	(821)	(76.2%)
Commission expenses		(61)	(64)	(4.7%)	(126)	(147)	(14.3%)
Professional fees		(339)	(515)	(34.2%)	(552)	(576)	(4.2%)
Promotional expenses		(81)	3	(<100%)	(114)	(41)	>100%
Utilities and maintenance expenses		(527)	(569)	(7.4%)	(1,061)	(1,249)	(15.1%)
Realised foreign exchange gain/(loss)		244	(207)	(<100%)	39	(171)	(<100%)
Unrealised foreign exchange (loss)/gain		(5,065)	1,933	(<100%)	(6,286)	3,498	(<100%)
Other operating expenses	7.1(b)	(3,494)	(3,022)	15.6%	(6,524)	(6,019)	(8.4%)
Operating (loss)/profit		(700)	4,348	(<100%)	3,214	11,206	(71.3%)
Finance costs		(1,700)	(1,760)	(3.4%)	(3,450)	(3,534)	(2.4%)
(Loss)/profit before tax		(2,400)	2,588	(<100%)	(236)	7,672	(<100%)
Income tax expense	8	(760)	(1,013)	(25.0%)	(1,610)	(1,661)	(3.1%)
(Loss)/profit for the period		(3,160)	1,575	(<100%)	(1,846)	6,011	(<100%)
Attributable to:							
Owners of the Company		(3,183)	1,572	(<100%)	(1,879)	6,027	(<100%)
Non-controlling interests		23	3	>100%	33	(16)	>100%
		(3,160)	1,575	(<100%)	(1,846)	6,011	(<100%)
(Loss)/profit per share for the period attributable to owners of the Company (sen per share)							
Basic		(0.27)	0.13		(0.16)	0.50	
Diluted		(0.27)	0.13		(0.16)	0.50	

1(a)(ii) Condensed Interim Consolidated Statement of Other Comprehensive Income

	Group Second quarter ended 31 August			Group 6 month ended 31 August		
	2024	2023	Increase/ (decrease)	2024	2023	Increase/ (decrease)
	(Unaudited) RM'000	(Unaudited) RM'000	(decrease) %	(Unaudited) RM'000	(Unaudited) RM'000	(decrease) %
(Loss)/profit for the period	(3,160)	1,575	(<100%)	(1,846)	6,011	(<100%)
Other comprehensive (loss)/income:						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation	7	63	(88.9%)	(144)	287	(<100%)
Total comprehensive (loss)/income for the period	(3,153)	1,638	(<100%)	(1,990)	6,298	(<100%)
Attributable to:						
Owners of the Company	(3,176)	1,656	(<100%)	(2,025)	6,539	(<100%)
Non-controlling interests	23	(18)	>100%	35	(241)	>100%
Total comprehensive (loss)/income for the period	(3,153)	1,638	(<100%)	(1,990)	6,298	(<100%)

1(b) Condensed Interim Statement of Financial Position

	Note	Group		Company	
		31.08.2024 (Unaudited) RM'000	29.02.2024 (Audited) RM'000	31.08.2024 (Unaudited) RM'000	29.02.2024 (Audited) RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	49,396	50,188	–	–
Goodwill	11.1	5,818	5,818	–	–
Investments in subsidiaries		–	–	636,313	642,712
Development rights	11.2	13,500	–	–	–
Prepayments		–	4,000	–	–
Deferred tax assets		7,689	7,710	–	–
Right-of-use assets		104,396	108,289	–	–
		180,799	176,005	636,313	642,712
Current assets					
Biological assets		161	170	–	–
Trade and other receivables	6.1	30,357	37,091	3,904	644
Prepayments		3,885	1,767	–	–
Inventories		77,746	78,119	–	–
Cash and bank balances		164,641	185,062	95,170	96,892
Tax recoverable		3,181	3,408	–	–
Derivative assets		–	21	–	–
		279,971	305,638	99,074	97,536
Total assets		460,770	481,643	735,387	740,248
Equity and liabilities					
Current liabilities					
Trade and other payables	6.2	10,818	21,082	465	833
Lease liabilities		5,391	4,414	–	–
Income tax payable		2,702	1,166	2,061	422
Derivative liabilities		63	–	–	–
		18,974	26,662	2,526	1,255
Net current assets		260,997	278,976	96,548	96,281

1(b) Condensed Interim Statement of Financial Position (cont'd)

	Note	Group		Company	
		31.08.2024 (Unaudited) RM'000	29.02.2024 (Audited) RM'000	31.08.2024 (Unaudited) RM'000	29.02.2024 (Audited) RM'000
Non-current liabilities					
Deferred tax liabilities		4,006	6,044	–	1,800
Lease liabilities		96,305	99,953	–	–
Provision for restoration costs		704	704	–	–
		101,015	106,701	–	1,800
Total liabilities		119,989	133,363	2,526	3,055
Net assets		340,781	348,280	732,861	737,193
Equity attributable to owners of the Company					
Share capital	13	487,903	487,903	978,725	978,725
Treasury shares		(22,017)	(22,017)	(22,017)	(22,017)
Other reserves		(176,450)	(177,337)	661	661
Retained earnings/(accumulated losses)		51,216	57,134	(224,508)	(220,176)
		340,652	345,683	732,861	737,193
Non-controlling interests		129	2,597	–	–
Total equity		340,781	348,280	732,861	737,193
Total equity and liabilities		460,770	481,643	735,387	740,248

1(c) Condensed Interim Statements of Changes in Equity

Attributable to owners of the Company

Group	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Net premium paid/received on transactions with non-controlling interests				Capital reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
				Foreign currency translation reserve RM'000	Gain on reissuance of treasury shares RM'000							
Opening balance at 1 March 2024	487,903	(22,017)	(177,337)	820	(178,818)	661	–	57,134	345,683	2,597	348,280	
(Loss)/profit for the period	–	–	–	–	–	–	–	(1,879)	(1,879)	33	(1,846)	
Other comprehensive (loss)/income for the period	–	–	(146)	(146)	–	–	–	–	(146)	2	(144)	
Total comprehensive (loss)/income for the period	–	–	(146)	(146)	–	–	–	(1,879)	(2,025)	35	(1,990)	
<u>Transactions with owners:</u>												
Dividend on ordinary shares	–	–	–	–	–	–	–	(4,039)	(4,039)	–	(4,039)	
Total transactions with owners	–	–	–	–	–	–	–	(4,039)	(4,039)	–	(4,039)	
<u>Transactions with non-controlling interests:</u>												
Transfer to reserves	–	–	834	–	–	–	834	–	834	(834)	–	
Strike off of subsidiaries	–	–	199	–	–	–	199	–	199	(1,669)	(1,470)	
Total transactions with non-controlling interests	–	–	1,033	–	–	–	1,033	–	1,033	(2,503)	(1,470)	
Closing balance at 31 August 2024	487,903	(22,017)	(176,450)	674	(178,818)	661	1,033	51,216	340,652	129	340,781	

1(c) Condensed Interim Statements of Changes in Equity (cont'd)

	Attributable to owners of the Company										
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign currency translation reserve RM'000	Net premium paid/received on transactions with non- controlling interests RM'000	Gain on reissuance of treasury shares RM'000	Capital reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total equity RM'000
Group											
Opening balance at 1 March 2023	487,903	(22,017)	(178,096)	61	(178,818)	661	–	53,854	341,644	2,847	344,491
Profit/(loss) for the period	–	–	–	–	–	–	–	6,027	6,027	(16)	6,011
Other comprehensive income for the period	–	–	512	512	–	–	–	–	512	(225)	287
Total comprehensive income for the period	–	–	512	512	–	–	–	6,027	6,539	(241)	6,298
Closing balance at 31 August 2023	487,903	(22,017)	(177,584)	573	(178,818)	661	–	59,881	348,183	2,606	350,789

1(c) Condensed Interim Statements of Changes in Equity (cont'd)

	Ordinary shares RM'000	Treasury shares RM'000	Others reserve RM'000	Retained earnings/ (accumulated losses) RM'000	Total equity RM'000
Company					
Opening balance at 1 March 2024	978,725	(22,017)	661	(220,176)	737,193
Loss for the year	–	–	–	(293)	(293)
Total comprehensive income for the period	–	–	–	(293)	(293)
<u>Transactions with owners:</u>					
Dividend on ordinary shares	–	–	–	(4,039)	(4,039)
Total transactions with owners	–	–	–	(4,039)	(4,039)
Closing balance at 31 August 2024	978,725	(22,017)	661	(224,508)	732,861

1(c) Condensed Interim Statements of Changes in Equity (cont'd)

	Ordinary shares RM'000	Treasury shares RM'000	Others reserve RM'000	Retained earnings/ (accumulated losses) RM'000	Total equity RM'000
Company					
Opening balance at 1 March 2023	978,725	(22,017)	661	(223,162)	734,207
Profit for the year	–	–	–	3,480	3,480
Total comprehensive income for the period	–	–	–	3,480	3,480
Closing balance at 31 August 2023	978,725	(22,017)	661	(219,682)	737,687

1(d) Condensed Interim Consolidated Statement of Cash Flows

	Group Second quarter ended 31 August		Group 6 months ended 31 August	
	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
Cash flows from operating activities				
(Loss)/profit before tax	(2,400)	2,588	(236)	7,672
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	758	799	1,524	1,670
Depreciation of right-of-use assets	2,133	2,034	4,311	4,069
Bad debts written off	–	9	–	9
Impairment loss of right-of-use assets	–	–	–	84
Finance costs	1,700	1,760	3,450	3,534
Gain arising from lease modification	(787)	–	(787)	–
Loss arising from changes in fair values of biological assets	114	35	9	77
Interest income	(1,942)	(1,792)	(3,872)	(3,585)
Net provision for/(reversal of) inventories written down	97	(127)	162	(186)
Net unrealised foreign exchange loss/(gain)	5,065	(1,933)	6,286	(3,498)
Reversal of impairment losses on receivables	–	–	–	(1)
Operating cash flows before changes in working capital	4,738	3,373	10,847	9,845
<u>Changes in working capital</u>				
Decrease in trade and other receivables	3,449	6,478	6,755	5,359
(Increase)/decrease in prepayments	(2,125)	50	(2,118)	(1,112)
Decrease in inventories	2,704	4,904	211	2,641
Decrease in trade and other payables	(10,924)	(11,967)	(11,733)	(6,689)
Cash flows (used in)/generated from operations	(2,158)	2,838	3,962	10,044
Interest paid	(9)	(42)	(38)	(88)
Income taxes (paid)/refunded	(901)	1,299	(1,863)	853
Net cash flows (used in)/generated from operating activities	(3,068)	4,095	2,061	10,809

1(d) Condensed Interim Consolidated Statement of Cash Flows (cont'd)

	Group Second quarter ended 31 August		Group 6 months ended 31 August	
	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000	2024 (Unaudited) RM'000	2023 (Unaudited) RM'000
Cash flows from investing activities				
Interest received	1,942	1,792	3,872	3,585
Acquisition of development rights	–	–	(9,500)	–
Purchase of property, plant and equipment	(503)	(293)	(732)	(466)
Net cash flows generated from/(used in) investing activities	1,439	1,499	(6,360)	3,119
Cash flows from financing activities				
Increase in pledged fixed deposits	(122)	(119)	(122)	(119)
Payment of lease liabilities	(2,794)	(2,787)	(5,606)	(5,574)
Repayment from other short term borrowings	–	–	–	(3,960)
Net repayment of obligations under finance leases	–	(19)	–	(38)
Dividends paid to the ordinary shareholders of the Company	(4,039)	–	(4,039)	–
Net cash used in financing activities	(6,955)	(2,925)	(9,767)	(9,691)
Net (decrease)/increase in cash and cash equivalents	(8,584)	2,669	(14,066)	4,237
Effects of foreign exchange rate changes	(4,979)	1,733	(6,477)	3,377
Cash and cash equivalents at beginning of the period	170,831	150,021	177,811	146,809
Cash and cash equivalents at end of period	157,268	154,423	157,268	154,423
Cash and cash equivalents comprise of:				
Cash and deposits with licensed banks	164,641	164,652	164,641	164,652
Deposits pledged with licensed banks	(7,373)	(10,229)	(7,373)	(10,229)
Cash and cash equivalents	157,268	154,423	157,268	154,423

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Notes to the condensed interim consolidated financial statements
For the financial period ended 31 August 2024

2. Corporate information

Duty Free International Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The holding company is Atlan Holdings Bhd ("Atlan"). Atlan is a public limited company incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad.

These condensed interim consolidated financial statements for period ended 31 August 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the Group are:

- (a) Retailer, wholesaler and distributor of duty free and non-dutiable merchandise
- (b) Properties management and cultivation of oil palm

3. Basis of preparation

The condensed interim financial statements for the three months ended 31 August 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group's financial position and performance of the Group since the last annual financial statements for the period ended 29 February 2024.

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 Malaysian Ringgit (RM) and all values in the tables are rounded to the nearest thousand (RM'000), except when otherwise indicated.

3.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to FRS ("INT FRSs") that are mandatory for application from that date.

The application of these new or amended SFRS(I) and INT FRSs did not result in changes in the Group's accounting policies and has no material effect on the amounts reported for the current period or prior years.

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Notes to the condensed interim consolidated financial statements
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3. Basis of preparation (cont'd)

3.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 29 February 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group's condensed interim consolidated financial statements for the three months period ended 31 August 2024.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

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Notes to the condensed interim consolidated financial statements
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5. Revenue and segment information

5.1 Revenue

	Group Second quarter ended 31 August		Group 6 months ended 31 August	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sale of goods	36,174	32,303	73,321	68,446
Parking operations	427	383	828	786
Rental income	–	–	1	1
Sale of fresh oil palm fruit bunches	625	188	1,381	751
	<u>37,226</u>	<u>32,874</u>	<u>75,531</u>	<u>69,984</u>
Timing of transfer of goods and services				
At a point in time	<u>37,226</u>	<u>32,874</u>	<u>75,531</u>	<u>69,984</u>

5.2 Segment information

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. The Group has the following reportable operating segments:

(i) *Trading of duty free goods and non-dutiable merchandise*

This segment includes revenues from sale of goods.

(ii) *Investment holding and others*

This segment includes revenues from sale of fresh oil palm fruit bunches.

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented. The Group has no major customers.

5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

	Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	Second quarter ended 31 August		Second quarter ended 31 August		Second quarter ended 31 August			Second quarter ended 31 August	
	2024	2023	2024	2023	2024	2023		2024	2023
Second quarter:	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue:									
Sales to external customers	36,174	32,303	1,052	571	–	–		37,226	32,874
Inter-segment sales	–	–	164	164	(164)	(164)	A	–	–
Total revenue	36,174	32,303	1,216	735	(164)	(164)		37,226	32,874
Interest income	510	264	1,432	1,528	–	–		1,942	1,792
Miscellaneous Income	1,457	462	44	237	(251)	(262)		1,250	437
Total revenue and other income	38,141	33,029	2,692	2,500	(415)	(426)		40,418	35,103
Results:									
Depreciation and amortisation	(2,806)	(2,750)	(350)	(352)	265	269		(2,891)	(2,833)
Finance costs	(1,742)	(1,803)	–	–	42	43		(1,700)	(1,760)
Other non-cash income/(expenses)	1,115	163	(5,224)	1,646	(262)	–	B	(4,371)	1,809
Segment (loss)/profit	2,063	1,051	(4,457)	1,540	(6)	(3)	C	(2,400)	2,588
Assets									
Additions to non-current assets	503	157	–	136	–	–	D	503	293
Segment assets	264,094	273,485	185,806	192,605	10,870	10,961	E	460,770	477,051
Segment liabilities	112,434	118,453	847	1,112	6,708	6,697	F	119,989	126,262

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5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments (cont'd)

Half year	Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	6 months ended 31 August		6 months ended 31 August		6 months ended 31 August			6 months ended 31 August	
	2024	2023	2024	2023	2024	2023		2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue:									
Sales to external customers	73,321	68,446	2,210	1,538	–	–		75,531	69,984
Inter-segment sales	–	–	329	329	(329)	(329)	A	–	–
Total revenue	73,321	68,446	2,539	1,867	(329)	(329)		75,531	69,984
Interest income	969	520	2,904	3,065	–	–		3,872	3,585
Miscellaneous Income	1,828	817	628	560	(540)	(556)		1,917	821
Total revenue and other income	76,118	69,783	6,071	5,492	(869)	(885)		81,320	74,390
Results:									
Depreciation and amortisation	(5,665)	(5,573)	(702)	(704)	532	538		(5,835)	(5,739)
Finance costs	(3,538)	(3,623)	–	–	88	89		(3,450)	(3,534)
Other non-cash income/(expenses)	1,170	23	(6,692)	3,320	(262)	–	B	(5,784)	3,343
Segment profit/(loss)	4,504	3,263	(4,732)	4,413	(8)	(4)	C	(236)	7,672
	Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	31.08.2024	29.02.2024	31.08.2024	29.02.2024	31.08.2024	29.02.2024		31.08.2024	29.02.2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Additions to non-current	705	2,194	27	156	–	–	D	732	2,350
Segment assets	264,094	278,115	185,806	192,410	10,870	11,118	E	460,770	481,643
Segment liabilities	112,434	124,765	847	1,388	6,708	7,210	F	119,989	133,363

5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation.
- B Other material non-cash income/expenses include bad debts written off, impairment loss of right-of-use assets, loss/gain arising from change in fair values of biological assets, provision for/reversal of inventories written down, gain arising from lease modification and net unrealised foreign exchange gain/loss.
- C The following items were deducted from segment results to arrive at profit before tax presented in the income statement:

	Second quarter ended		6 month ended	
	31.08.2024	31.08.2023	31.08.2024	29.02.2024
	RM'000	RM'000	RM'000	RM'000
Profit from inter-segment sales	(120)	(119)	(239)	(239)
Unallocated corporate income	114	116	231	235
	<u>(6)</u>	<u>(3)</u>	<u>(8)</u>	<u>(4)</u>

- D Additions to non-current assets consist of:

	Second quarter ended		As at	As at
	31.08.2024	31.08.2023	31.08.2024	29.02.2024
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	503	293	732	2,350

5. Segment and revenue information (cont'd)

5.2 Segment information (cont'd)

Operating segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

E The following items were added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	As at	As at	As at
	31.08.2024	31.08.2023	29.02.2024
	RM'000	RM'000	RM'000
Deferred tax assets	7,689	7,751	7,710
Tax recoverable	3,181	3,210	3,408
	<u>10,870</u>	<u>10,961</u>	<u>11,118</u>

F The following items were added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	As at	As at	As at
	31.08.2024	31.08.2023	29.02.2024
	RM'000	RM'000	RM'000
Deferred tax liabilities	4,006	5,903	6,044
Income tax payable	2,702	794	1,166
	<u>6,708</u>	<u>6,697</u>	<u>7,210</u>

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 31 August 2024 and 29 February 2024:

6.1 Financial assets

	Group		Company	
	31.08.2024	29.02.2024	31.08.2024	29.02.2024
	RM'000	RM'000	RM'000	RM'000
Trade and other receivables:				
Trade receivables	579	1,380	–	–
Deposits	3,098	4,168	–	–
Due from Berjaya				
Waterfront Sdn Bhd*	25,570	30,098	–	–
Sundry receivables	1,110	1,445	3,904	644
Total trade and other receivables	30,357	37,091	3,904	644
Add: Cash and bank balances	164,641	185,062	95,170	96,892
Total financial assets carried at amortised cost	194,998	222,153	99,074	97,536

*Due from Berjaya Waterfront Sdn Bhd (“BWSB”)

The amount due from BWSB is related to the uncollected portion of the sale consideration for the Group’s interests over leasehold properties in the Zon Johor Bahru, which was completed in March 2013.

This balance, guaranteed by BWSB’s holding company, had been subject to interest throughout the term that the balance was outstanding. The interest rate was initially at 6% per annum but has been revised to 9% per annum since 16 July 2015 until 15 April 2022. The interest rate was revised to 7% per annum from 16 April 2022 onwards.

In July 2023, the Group entered into an agreement with BWSB to offset the rental payments due from the Group’s subsidiary, Selasih Eksklusif Sdn Bhd against the RM40.0 million balance receivable from BWSB.

On 15 April 2024, both parties mutually agreed that BWSB shall pay the remaining deferred consideration of RM28.3 million on or before 15 April 2025 and BWSB will continue to pay interest at 7% per annum on the unpaid consideration on a quarterly basis.

As at the date of this announcement, a rental payable of RM15.4 million had been set off against the total outstanding receivable from BWSB, resulting in a balance outstanding receivable from BWSB of RM24.6 million (excluding interest receivable).

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(Incorporated in Republic of Singapore)

Notes to the condensed interim consolidated financial statements
For the financial period ended 31 August 2024

6. Financial assets and financial liabilities (cont'd)

6.2 Financial liabilities

	Group		Company	
	31.08.2024	29.02.2024	31.08.2024	29.02.2024
	RM'000	RM'000	RM'000	RM'000
Trade and other payables:				
Trade payables	7,684	14,656	–	–
Accruals	1,236	1,585	437	777
Accrued payroll related expenses	207	1,035	–	–
Rental payables	456	1,081	–	–
Other deposits received	185	177	–	–
Royalty payables	33	1,588	–	–
Sundry payables	1,017	960	28	56
Total trade and other payables, representing total financial liabilities carried at amortised cost	10,818	21,082	465	833

7. Profit before taxation

7.1 Significant items

(a) Other income

	Group Second quarter ended 31 August		Group 6 months ended 31 August	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income from licensed banks	1,285	1,171	2,544	2,258
Interest income from Berjaya Waterfront Sdn Bhd	657	621	1,328	1,327
Rental income from property, plant and equipment	133	114	247	221
Reversal of inventories written down	–	127	–	186
Gain arising from lease modification	787	–	787	–
Reversal of impairment loss on receivables	–	–	–	1
Miscellaneous income	330	196	883	413
	3,192	2,229	5,789	4,406

7. Profit before taxation (cont'd)

7.1 Significant items (cont'd)

(b) Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group		Group	
	Second quarter ended		6 months ended	
	31 August		31 August	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Assessment and quit rent	521	313	758	549
Auditors' remuneration	182	206	385	420
Bank charges	195	362	394	582
Bad debts written off	–	9	–	9
Donations	2	4	154	10
Insurance	171	202	363	439
Inventories written down	97	–	162	–
Loss arising from changes in fair value of biological assets	114	35	9	77
Management fees	500	400	1,000	800

7.2. Related party disclosures

All related party transactions had been entered into the ordinary course of business on normal commercial terms.

The transactions with the related company of the Group are as set out below:

	Group		Group	
	Second quarter ended		6 months ended	
	31 August		31 August	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Related company:				
- Management fee	500	400	1,000	800
Related party:				
Donation to Yayasan Harmoni	–	–	150	–

8. Income tax expense

Major components of income tax expense

The Group calculated the income tax expense for the reporting period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are as follows:

	Group Second quarter ended 31 August		Group 6 months ended 31 August	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax expense	2,730	899	3,427	1,589
Deferred income tax expense relating to origination and reversal of temporary difference	(1,970)	114	(1,817)	72
Income tax expense recognised in profit or loss	760	1,013	1,610	1,661

9. Net asset value

	Group		Company	
	As at 31 August 2024	As at 28 February 2024	As at 31 August 2024	As at 28 February 2024
Net asset value per ordinary share (sen)	28.43	28.85	61.16	61.53
Number of shares used in calculating net asset value per share ('000)	1,198,200	1,198,200	1,198,200	1,198,200

Net asset value per ordinary share is computed based on total equity less non-controlling interests divided by the number of shares (excluding treasury shares).

10. Financial assets at fair value through other comprehensive income

10.1 Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant observable inputs other than quoted prices (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000	Total RM'000
At 31 August 2024				
Non-financial assets:				
- Biological assets	–	–	161	161
Financial liabilities:				
Derivatives				
- Forward currency contracts	–	(63)	–	(63)
At 29 February 2024				
Non-financial assets:				
- Biological assets	–	–	170	170
Financial assets:				
Derivatives				
- Forward currency contracts	–	21	–	21

11. Intangible assets

11.1 Goodwill

Group	Goodwill RM'000
At 29 February 2024	
Cost	28,816
Accumulated impairment losses	(22,998)
Net carrying amount	<u>5,818</u>
At 1 March 2024 and 31 August 2024	<u>5,818</u>

The cash-generating units (“CGU”) to which goodwill have been allocated were tested for impairment as at 31 August 2024. The recoverable amount of the CGUs was determined based on value in use calculations using probabilities-weighted cash flow projections from financial forecasts covering a five-year period with different scenarios. The key assumptions used in the discounted cash flow models were similar to those made in FY2024, for revenue growth rates, budgeted gross margins, ability to renew duty free licenses, discount rates, and long-term growth rate.

- i) The revenue projection for the first year was determined based on the financial budget prepared. Revenue growth rates for FY2026 to FY2030 range between 5% to 10%.
- ii) The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment was 18.5% which was based on average gross margin achieved in past years.
- iii) 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 was assumed that the licences would be renewed upon their expiry on terms and conditions which were not less favourable.
- iv) The forecasted long-term growth rates were based on published industry research and did 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 was 2.2%.
- v) The pre-tax discount rate applied to the cash flow projections was 14.3% to 14.5% based on weighted average cost of capital of the Group.

The present value of the discounted cash flow was then compared to the carrying value of the CGUs and as there was no shortfall in the assessment, no impairment loss was recorded for the period ended 31 August 2024.

11.2 Development rights

On 27 May 2019, a Privatisation Cum Development Agreement was signed between the State Government of Johore, The State Secretary Johor (“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 was obligated to pay of RM10.0 million and RM3.5 million as development return (“Development rights”) to the State Government of Johor and MBJB respectively. As of 29 February 2024, a partial payment totalling RM4.0 million had been made to the State Government of Johore and MBJB.

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

On 10 September 2024, the Company announced that KMSB had entered into a conditional joint development agreement with Chin Hin Property (Stulang) Sdn. Bhd., to undertake a joint development on the abovementioned land. Please see note 14 for further details.

12. Property, plant and equipment

During the six months ended 31 August 2024, the Group acquired assets amounting to RM732,000 (31 August 2023: RM466,000).

13. Share capital

Group	Number of ordinary shares		Amount	
	31.08.2024	29.02.2024	31.08.2024	29.02.2024
	'000	'000	RM'000	RM'000
Beginning and end of interim period	1,198,200	1,198,200	487,903	487,903
Company				
Beginning and end of interim period	1,198,200	1,198,200	978,725	978,725

The difference in the share capital amount of the Group and the Company arose as a result of the acquisition of DFZ Capital Sdn. Bhd. and Darul Metro Sdn. Bhd. and their subsidiaries in a reverse take-over exercise by the Company during the financial year ended 28 February 2011.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

Total treasury shares as at 31 August 2024 was 30,999,300 (29 February 2024: 30,999,300).

As at 31 August 2024, the Company's issued and paid-up share capital comprises 1,198,200,293 (29 February 2024: 1,198,200,293) ordinary shares, excluding treasury shares.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 31 August 2024.

14. Subsequent events

- (i) On 10 September 2024, the Company announced that its wholly-owned subsidiary, Kelana Megah Sdn. Bhd. ("KMSB"), had entered into a conditional joint development agreement ("Agreement") with Chin Hin Property (Stulang) Sdn. Bhd. ("CHPSSB"), to undertake a joint development on a parcel of leasehold land held under H.S.(D) 605698, Lot No. PTB 20379, Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor measuring approximately 17,342 square meters (equivalent to approximately 186,668 square feet) ("Land").

Subject to the necessary approvals to be obtained for the Proposed Joint Development (as defined below), KMSB and CHPSSB will collaborate to develop two blocks comprising 1,260 serviced apartment units, 10 retail lots, and multiple levels of parking on the Land ("Proposed Joint Development").

Pursuant to the Agreement, KMSB, being the joint developer of the Land, shall be entitled to 18.0% of the total net saleable area of the Proposed Joint Development ("KMSB's Entitlement"). The Proposed Joint Development is estimated by CHPSSB to have a gross development value of RM478.42 million and gross development cost of RM406.42 million, and accordingly, the value of KMSB's Entitlement is estimated at RM83.57 million. Barring any unforeseen circumstances, the Proposed Joint Development is expected to be completed by third quarter of 2029.

The Proposed Joint Development with CHPSSB to construct residential serviced apartments on the Land presents significant strategic advantages and growth opportunities as well as generating a new revenue stream for the Group. This collaboration leverages CHPSSB expertise in construction, engineering, regulatory knowledge, and real estate experience, which enhances risk mitigation, expands market reach, and improves operational efficiencies. The Proposed Joint Development is also expected to enable the Group to realise the value of the Land, strengthen the financial position of the Group and improve the cashflow of the Group upon completion.

The Proposed Joint Development is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 28 February 2025.

Please refer to the Company's announcement dated 10 September 2024 on SGX-ST website for further information on the Proposed Joint Development.

14. Subsequent events (cont'd)

- (ii) On 26 September 2024, the Group's wholly owned subsidiaries, Cergasjaya Sdn. Bhd. ("Cergasjaya") and Cergasjaya Properties Sdn. Bhd. ("CPPA") received Form E and F under the Land Acquisition Act 1960 of Malaysia in relation to the compulsory acquisition of the lands ("Affected Lands") located at Bukit Kayu Hitam, Kedah, Malaysia, which are currently owned by Cergasjaya and CPPA ("Compulsory Land Acquisition").

The acquiring agency for the Compulsory Land Acquisition is the Ministry of Home Affairs of Malaysia (or Kementerian Dalam Negeri) and administered by the Department of Director General of Lands & Mines, Kedah (or Pejabat Pengarah Tanah dan Galian Negeri Kedah) which has declared that it is needed for a road construction project to connect the Bukit Kayu Hitam ICQS Complex in Kedah to the CIQ Sadao facility in Thailand.

The Compulsory Land Acquisition will also affect the adjacent lands which access will be blocked by the new road alignment. Consequently, the Compulsory Land Acquisition will cause a closure of the Group's duty-free business at Bukit Kayu Hitam, Kedah, Malaysia.

The land enquiry process for determination of compensation is still ongoing. The Group will be represented by its legal advisors to seek adequate and fair compensation as guaranteed by the Federal Constitution. Upon its completion, the Company will make further announcement on the financial impact to the Group.

The Company will also make further announcement as and when further information is obtained and/or there are material updates or developments in relation to the foregoing.

15. Review

The condensed consolidated statement of financial position of Duty Free International Limited and its subsidiaries as at 31 August 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period and certain explanatory notes have not been audited or reviewed.

16. Review of performance of the Group

Consolidated statement of Comprehensive Income

Second quarter ended 31 August 2024 ("2Q FY2025") vs Second quarter ended 31 August 2023 ("2Q FY2024")

Revenue

The Group recorded revenue of RM37.2 million in 2Q FY2025, representing an increase of 13.2% or RM4.3 million, over the revenue of RM32.9 million in 2Q FY2024. This growth was primarily driven by the economic recovery and the rebound in travel and tourism. Additionally, the Group benefited from its effective strategic advertising and the expansion of its product offerings.

Changes in inventories

Changes in inventories comprised the difference in the value of inventories at the beginning and at the end of the financial period under review. In 2Q FY2025, the value of the closing inventories was lower than the value of the opening inventories by RM2.7 million. In 2Q FY2024, the value of the closing inventories was lower by RM4.9 million. This resulted in a positive variance of RM2.2 million for 2Q FY2025 vis-à-vis 2Q FY2024, which was mainly due to increase in both inventory purchases and consumption of inventories as compared with the corresponding quarter of the previous financial year.

Inventories purchased and material consumed

Inventories purchased and material consumed increased by 32.1% or RM5.4 million, from RM17.0 million in 2Q FY2024 to RM22.4 million in 2Q FY2025. This was primarily attributable to higher purchases and increased consumption of inventories due to higher revenue recorded.

Other Income

Other income increased by RM1.0 million or 43.2% from RM2.2 million in 2Q FY2024 to RM3.2 million in 2Q FY2025, mainly attributable to higher interest income of RM0.2 million and gain arising from lease modification of RM0.8 million in the current reporting quarter.

16. Review of performance of the Group (cont'd)

Realised foreign exchange gain/(loss)

Realised foreign exchange gain in 2Q FY2025 was RM0.2 million which was RM 0.4 million higher as compared to realised foreign exchange loss of RM0.2 million recorded in 2Q FY2024. This was mainly due to currency translation gain on the Group's purchases from overseas suppliers resulting from the strengthening of the Ringgit Malaysia against the US Dollar during the current quarter.

Unrealised foreign exchange (loss)/gain

Unrealised foreign exchange loss in 2Q FY2025 of RM5.1 million was higher by RM7.0 million as compared to RM1.9 million gain in 2Q FY2024. This was mainly due to the currency translation to Ringgit Malaysia of the Group's deposits and bank balance in financial institutions of SGD26.6 million and USD1.3 million as at 31 August 2024, whereby Ringgit Malaysia had strengthened against Singapore Dollar by approximately 4.9% from RM3.48 as at 31 May 2024 to RM3.31 as at 31 August 2024 and US Dollar by approximately 8.1% from RM4.70 as at 31 May 2024 to RM4.32 as at 31 August 2024.

Other operating expenses

The Group incurred higher other operating expenses in 2Q FY2025 by RM0.5 million or 15.6% as compared to RM3.0 million in 2Q FY2024, mainly due to higher general operating expenses incurred during the current quarter under review.

(Loss)/profit before income tax

The Group reported a pre-tax loss of RM2.4 million for the 2Q FY2025, a decline of RM5.0 million compared to the pre-tax profit of RM2.6 million recorded in the same period of FY2024. The lower profit in 2Q FY2025 as compared to 2Q FY2024 was primarily due to an unrealised loss in foreign exchange of RM5.1 million as compared to RM1.9 million unrealised foreign exchange gain in 2Q FY2024. The adverse effect was partially offset by higher other operating income of RM1.0 million as well as higher revenue generated in the current quarter under review as mentioned above.

Six months ended 31 August 2024 ("6M FY2024") vs Six months ended 31 August 2023 ("6M FY2023")

The Group recorded revenue for 6M FY2025 of RM75.5 million, representing an increase of 7.9% or RM5.5 million, over the revenue of RM70.0 million recorded in 6M FY2024.

The Group reported a loss before income tax of RM0.2 million for 6M FY2025, representing a decrease of RM7.9 million as compared to a profit before income tax of RM7.7 million recorded in 6M FY2024. The decline in profit was primarily attributed to an unrealised foreign exchange loss of RM6.3 million as compared to RM3.5 million unrealised foreign exchange gain in 6M FY2024 as well as increase in other operating expenses of RM0.5 million, and increased employee benefits expenses of RM0.6 million. However, the negative effect was partially mitigated by higher revenue achieved coupled with higher other operating income of RM1.4 million as well as lower rental of premises of RM0.6 million.

16. Review of performance of the Group (cont'd)

The core operations of the Group consisting of the trading of duty free & duty paid goods and non-dutiable merchandise continue to be profitable, where for the six months ended 31 August 2024, with respect the Group reported an operating profit of RM4.5 million versus RM3.3 million in the comparable 6 months period in FY2024.

Consolidated Statement of Financial Position

Property, plant and equipment

The decrease in net book value of the property, plant and equipment by RM0.8 million was mainly due to the depreciation charge of RM1.5 million, partially offset by acquisition of assets amounting to RM0.7 million during the six month of FY2025.

Development rights

The RM13.5 million development rights comprises a payment of RM4.0 million that was previously recorded as non-current prepayment, along with balance payment of RM9.5 million paid to the State Government and City Council of Johor as mentioned in Note 11.2 above.

Right-of-use assets

The decrease in right-of-use assets by RM3.9 million was mainly due to depreciation charge of RM4.3 million, partially offset by renewal of leases of RM0.3 million during the six month of FY2025.

Trade receivables and other receivables

The decrease in trade and other receivables by RM6.7 million was attributable to the receipt of payments from certain debtors during the financial period under review.

Prepayments (current and non-current)

Current prepayments decreased by RM1.9 million, from RM5.8 million as at 29 February 2024 to RM3.9 million as at 31 May 2024. This decrease was mainly due to the reclassification of a non-current prepayment of RM4.0 million to Development rights as mentioned above. However, this was partially offset by the payment made of RM2.0 million to SSI in relation to the land development as mentioned in Note 11.2.

Inventories

The decrease in inventories of RM0.4 million was mainly due to lower purchases of inventories in 2Q FY2024 and improved inventories turnover as a result of higher revenue achieved during the six month of FY2025.

Trade and other payables

The decrease in trade and other payables of RM10.3 million was mainly due to lower purchases during the period and timing differences in the payment of the payables.

Lease liabilities (current and non-current)

The decrease of lease liabilities of RM2.7 million was mainly due to the payment of lease liabilities of RM5.6 million. The decreases were partially offset by accretion of interest of RM3.4 million charged during the six month of FY2025.

16. Review of performance of the Group (cont'd)

Consolidated Statement of Cashflow

The Group's net cash flow used in operating activities for 2Q FY2025 was RM3.1 million as compared to cash flow generated of RM4.1 million in 2Q FY2024. The decrease was primarily due to higher cash flow usage in operations, attributed to an increase in prepayments, a decrease in receivables, and an increase in payables recorded during the current quarter.

The net cash flow generated from investing activities in 2Q FY2025 was marginally lower than 2Q FY2024 as the Group maintained consistent activity levels in the current quarter under review.

The net cash flows used in financing activities was RM7.0 million as compared to RM2.9 million in 2Q FY2024. This increase is primarily due to a dividend payment of RM4.0 million recorded in the current quarter under review.

17. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results

Not applicable.

18. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. The services sector recorded strong growth, driven by consumer and business-related subsectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (1Q 2024: 1.5%).¹

The Group anticipates that the retail business environment will remain challenging throughout the financial year 2025. This is largely due to the increasing product and operating costs, compounded by inflationary pressures and cautious consumer spending.

¹ Source from Bank Negara Malaysia – Economic and financial developments in Malaysia in the second quarter of 2024

Based on the above, the Group will persist in its endeavours to improve operational efficiency and effectiveness. This includes implementing rigorous cost control measures while simultaneously devising strategies to adapt and navigate the constantly evolving business landscape. The overarching goal is to ensure that the Group's core businesses remain resilient and robust in the face of these challenges in the next twelve months. Concurrently, the Group will continue to explore and seek business opportunities to add synergy to DFI's existing businesses.

19. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Book closure date

Not applicable

20. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended by the board for 2Q FY2025, as the company has paid a first interim dividend of S\$0.0010 per share to shareholders on 8 August 2024.

21. Interested Person Transactions

Interested Persons	Aggregate value of interested person transactions entered into during the financial period under review (excluding transactions below S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a))	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S\$100,000)
	RM'000	RM'000
Atlan Holdings Bhd	1,000	- (Note 1)

Note 1: The Company does not have any existing general mandate pursuant to Rule 920 of the Listing Rules.

22. Use of proceeds from placement exercises

The Company had, on 7 March 2016, 24 March 2016, 11 August 2016, 26 August 2016 and 23 March 2017 completed five placement exercises of (i) 39 million new ordinary shares in the capital of the Company; and (ii) 5.5 million treasury shares in the capital of the Company; (iii) 20 million new ordinary shares in the capital of the Company; (iv) 30 million new ordinary shares in the capital of the Company; and (v) 34.15 million new ordinary shares in the capital of the Company respectively, raising a total net proceeds of S\$43.6 million. As the use of the net proceeds (including the percentage allocation of the net proceeds) from the above mentioned placement exercises are identical to each other, the Company has aggregated the net proceeds raised from the abovementioned placement exercises together.

The Company intends to use the net proceeds from the abovementioned placement exercises as follows:

- 90% for general corporate requirements including but not limited to acquisition and funding of potential business opportunities, if any; and
- 10% for general working capital including but not limited to renovation and upgrading of business outlets, should the need arise.

The Company has utilised the net proceeds as follows:

- 1) US\$2.80 million (or approximately S\$3.82 million based on the exchange rate of S\$1.363 to US\$1.00) for the subscription for 2,800,000 new ordinary shares in Brand Connect Holding Pte. Ltd as disclosed in Note 10(iii) on 8 August 2018.
- 2) US\$0.85 million (or approximately S\$1.16 million based on the exchange rate of S\$1.37 to US\$1.00) for the purchase of inventories and payment of professional fees in relation to the acquisition of Brand Connect Holding Pte. Ltd. Group on 8 November 2018.
- 3) US\$0.80 million (or approximately S\$1.10 million based on the exchange rate of S\$1.37 to US\$1.00) for the purchase of inventories for Brand Connect Holding Pte. Ltd. Group on 5 December 2018.
- 4) US\$10.93 million (or approximately S\$14.91 million based on the exchange rate of S\$1.364 to US\$1.00) for the acquisition of 31,494,575 ordinary shares in DFZ Capital Sdn Bhd on 7 December 2021.
- 5) US\$1.53 million (or approximately S\$2.09 million based on the exchange rate of S\$1.364 to US\$1.00) for the payment of trade payables due to HAP on 7 December 2021.

As at the date of this announcement, following the abovementioned utilisation, approximately S\$20.52 million remains unutilised out of the net proceeds of S\$43.60 million from the abovementioned placement exercises.

The above utilisation of the Net Proceeds is consistent with the intended use of the net proceeds as disclosed in the Company's previous announcements released in relation to the Placement Exercises.

23. Changes in the composition of the Group

There was no change in the composition of the Group during the current financial quarter under review.

24. Confirmation by the directors and executive officers pursuant to Rule 720(1) of the Listing Manual

The Board of Directors hereby confirms that all required undertakings pursuant to Rule 720(1) of the Listing Manual have been obtained from its Directors and Executive Officers in the format set out in Appendix 7.7 of the SGX-ST Listing Manual.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 31 August 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Jeneral Tan Sri Dato' Sri Abdullah
bin Ahmad @ Dollah bin Amad (B)
Director

Lee Sze Siang
Director

Singapore
8 October 2024