

# Duty Free International Limited

(Company Registration No. 200102393E)

Condensed Interim Financial Statements  
For the fourth quarter and full year ended  
28 February 2023

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

|   | Note   | Group<br>Fourth quarter ended<br>28 February |              |                         | Group<br>Full year ended<br>28 February |                |                         |
|---|--------|--|--------------|-------------------------|---|----------------|-------------------------|
|   |        | 2023   | 2022         | Increase/<br>(Decrease) | 2023                                    | 2022           | Increase/<br>(Decrease) |
|   |        | (Unaudited)                                  | (Unaudited)  | (Decrease)              | (Unaudited)                             | (Audited)      | (Decrease)              |
|   |        | RM'000                                       | RM'000       | %                       | RM'000                                  | RM'000         | %                       |
| Revenue   | 5.1    | 49,166                                       | 30,584       | 60.8%                   | 151,797                                 | 99,125         | 53.1%                   |
| Changes in inventories  |        | 2,877  | (16,991)     | (<100%)                 | 32,044                                  | (24,589)       | (<100%)                 |
| Inventories purchased and materials consumed  |        | (34,639)                                     | (6,866)      | >100%                   | (127,688)                               | (54,639)       | >100%                   |
| Other income  | 7.1(a) | 4,190  | 7,070        | -40.7%                  | 14,478                                  | 15,891         | -8.9%                   |
| Employee benefits expenses  |        | (4,959)                                      | (2,962)      | 67.4%                   | (14,459)                                | (12,043)       | 20.1%                   |
| Depreciation of property, plant and equipment   |        | (747)  | (967)        | -22.8%                  | (3,853)                                 | (4,096)        | -5.9%                   |
| Depreciation of right-of-use assets   |        | (1,859)                                      | (1,925)      | -3.4%                   | (7,609)                                 | (7,729)        | -1.6%                   |
| Amortisation of intangible assets   |        | -  | (30)         | -100.0%                 | -                                       | (162)          | -100.0%                 |
| Rental of premises  |        | (1,895)                                      | (7)          | >100%                   | (5,860)                                 | (755)          | >100%                   |
| Commission expenses   |        | (130)  | (51)         | >100%                   | (417)                                   | (86)           | >100%                   |
| Professional fees   |        | (48)   | (1,045)      | -95.4%                  | (971)                                   | (1,676)        | -42.1%                  |
| Utilities and maintenance expenses  |        | (577)  | (413)        | 39.7%                   | (2,067)                                 | (1,478)        | 39.9%                   |
| Impairment loss on right-of-use assets  |        | (85)   | -            | n.m                     | (85)                                    | -              | n.m                     |
| Gain arising from changes in fair value of options  |        | 222  | -            | n.m                     | 222                                     | -              | n.m                     |
| Realised foreign exchange gain/(loss)   |        | 728  | (806)        | (<100%)                 | 58                                      | (1,107)        | (<100%)                 |
| Unrealised foreign exchange gain  |        | 1,460  | 869          | 68.0%                   | 4,350                                   | 3,432          | 26.7%                   |
| Other operating expenses  | 7.1(b) | (3,689)                                      | (3,691)      | -0.1%                   | (15,883)                                | (10,868)       | 46.1%                   |
| <b>Operating profit/(loss)</b>  |        | <b>10,015</b>                                | <b>2,769</b> | <b>&gt;100%</b>         | <b>24,057</b>                           | <b>(780)</b>   | <b>&gt;100%</b>         |
| Finance costs   |        | (1,691)                                      | (1,572)      | 7.6%                    | (6,666)                                 | (6,199)        | 7.5%                    |
| <b>Profit/(loss) before tax</b>   |        | <b>8,324</b>                                 | <b>1,197</b> | <b>&gt;100%</b>         | <b>17,391</b>                           | <b>(6,979)</b> | <b>&gt;100%</b>         |
| Income tax (expense)/benefit  | 8      | (556)  | 1,709        | (<100%)                 | (1,971)                                 | 1,002          | (<100%)                 |
| <b>Profit/(loss) for the period</b>   |        | <b>7,768</b>                                 | <b>2,906</b> | <b>&gt;100%</b>         | <b>15,420</b>                           | <b>(5,977)</b> | <b>&gt;100%</b>         |
| <b>Attributable to:</b>   |        |  |              |                         |   |                |                         |
| Owners of the Company   |        | 7,849  | 2,974        | >100%                   | 15,569                                  | (3,637)        | >100%                   |
| Non-controlling interests   |        | (81)   | (68)         | 19.1%                   | (149)                                   | (2,340)        | -93.6%                  |
|   |        | 7,768  | 2,906        | >100%                   | 15,420                                  | (5,977)        | >100%                   |
| <b>Profit/(loss) per share for the period attributable to owners of the Company (sen per share)</b> |        |  |              |                         |   |                |                         |
| Basic   |        | 0.66   | 0.25         |                         | 1.30                                    | (0.30)         |                         |
| Diluted   |        | 0.66   | 0.25         |                         | 1.30                                    | (0.30)         |                         |

n.m – denotes not meaningful

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

|   | Group<br>Fourth quarter ended<br>28 February |                               |                              | Group<br>Full year ended<br>28 February |                             |                              |
|---|--|-------------------------------|------------------------------|---|-----------------------------|------------------------------|
|   | 2023<br>(Unaudited)<br>RM'000                | 2022<br>(Unaudited)<br>RM'000 | Increase/<br>(Decrease)<br>% | 2023<br>(Unaudited)<br>RM'000           | 2022<br>(Audited)<br>RM'000 | Increase/<br>(Decrease)<br>% |
| Profit/(loss) for the period  | 7,768  | 2,906                         | >100%                        | 15,420                                  | (5,977)                     | >100%                        |
| Other comprehensive income:<br><i>Item that may be reclassified<br/>subsequently to profit or loss:</i> |  |                               |                              |   |                             |                              |
| Foreign currency translation  | 142  | 442                           | -67.9%                       | 563                                     | 801                         | -29.7%                       |
| Total comprehensive<br>income/(loss) for the period   | 7,910  | 3,348                         | >100%                        | 15,983                                  | (5,176)                     | >100%                        |
| <b>Attributable to:</b>   |  |                               |                              |   |                             |                              |
| Owners of the Company   | 8,134  | 3,424                         | >100%                        | 16,125                                  | (2,892)                     | >100%                        |
| Non-controlling interests   | (224)  | (76)                          | >100%                        | (142)                                   | (2,284)                     | >100%                        |
| Total comprehensive<br>income/(loss) for the period   | 7,910  | 3,348                         | >100%                        | 15,983                                  | (5,176)                     | >100%                        |

**1(b) Condensed Interim Statement of Financial Position**

|                                 | Note | Group                               |                                   | Company                             |                                   |
|---------------------------------|------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
|                                 |      | 28.02.2023<br>(Unaudited)<br>RM'000 | 28.02.2022<br>(Audited)<br>RM'000 | 28.02.2023<br>(Unaudited)<br>RM'000 | 28.02.2022<br>(Audited)<br>RM'000 |
| <b>Assets</b>                   |      |                                     |                                   |                                     |                                   |
| <b>Non-current assets</b>       |      |                                     |                                   |                                     |                                   |
| Property, plant and equipment   |      | 51,065                              | 54,532                            | –                                   | –                                 |
| Goodwill                        | 11.1 | 5,818                               | 5,818                             | –                                   | –                                 |
| Investments in subsidiaries     |      | –                                   | –                                 | 646,060                             | 556,259                           |
| Prepayments                     | 11.2 | 4,000                               | 3,500                             | –                                   | –                                 |
| Deferred tax assets             |      | 7,680                               | 7,403                             | –                                   | –                                 |
| Right-of-use assets             |      | 105,547                             | 112,776                           | –                                   | –                                 |
|                                 |      | <b>174,110</b>                      | <b>184,029</b>                    | <b>646,060</b>                      | <b>556,259</b>                    |
| <b>Current assets</b>           |      |                                     |                                   |                                     |                                   |
| Biological assets               |      | 178                                 | 155                               | –                                   | –                                 |
| Trade and other receivables     | 6.1  | 46,533                              | 48,774                            | 355                                 | 125                               |
| Prepayments                     |      | 5,147                               | 1,775                             | –                                   | –                                 |
| Inventories                     |      | 90,047                              | 53,567                            | –                                   | –                                 |
| Cash and bank balances          |      | 156,919                             | 153,401                           | 90,356                              | 83,970                            |
| Tax recoverable                 |      | 5,153                               | 6,453                             | –                                   | –                                 |
| Derivative assets               |      | 29                                  | –                                 | –                                   | –                                 |
|                                 |      | <b>304,006</b>                      | <b>264,125</b>                    | <b>90,711</b>                       | <b>84,095</b>                     |
| <b>Total assets</b>             |      | <b>478,116</b>                      | <b>448,154</b>                    | <b>736,771</b>                      | <b>640,354</b>                    |
| <b>Equity and liabilities</b>   |      |                                     |                                   |                                     |                                   |
| <b>Current liabilities</b>      |      |                                     |                                   |                                     |                                   |
| Borrowings                      | 13   | 4,009                               | 79                                | –                                   | –                                 |
| Trade and other payables        | 6.2  | 22,175                              | 15,470                            | 702                                 | 570                               |
| Provision for restoration costs |      | 198                                 | 110                               | –                                   | –                                 |
| Lease liabilities               |      | 440                                 | 504                               | –                                   | –                                 |
| Income tax payable              |      | 295                                 | 454                               | 143                                 | 10                                |
|                                 |      | <b>27,117</b>                       | <b>16,617</b>                     | <b>845</b>                          | <b>580</b>                        |
| <b>Net current assets</b>       |      | <b>276,889</b>                      | <b>247,508</b>                    | <b>89,866</b>                       | <b>83,515</b>                     |

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

|   | Note | Group                               |                                   | Company                             |                                   |
|---|------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
|   |      | 28.02.2023<br>(Unaudited)<br>RM'000 | 28.02.2022<br>(Audited)<br>RM'000 | 28.02.2023<br>(Unaudited)<br>RM'000 | 28.02.2022<br>(Audited)<br>RM'000 |
| <b>Non-current liabilities</b>                      |      |                                     |                                   |                                     |                                   |
| Deferred tax liabilities                            |      | 5,760                               | 6,037                             | 1,719                               | 1,655                             |
| Derivative liabilities                              |      | –                                   | 222                               | –                                   | 515                               |
| Lease liabilities                                   |      | 100,076                             | 93,787                            | –                                   | –                                 |
| Provision for restoration costs                     |      | 672                                 | 672                               | –                                   | –                                 |
| Borrowings  | 13   | –                                   | 49                                | –                                   | –                                 |
|   |      | 106,508                             | 100,767                           | 1,719                               | 2,170                             |
| <b>Total liabilities</b>                            |      | 133,625                             | 117,384                           | 2,564                               | 2,750                             |
| <b>Net assets</b>                                   |      | 344,491                             | 330,770                           | 734,207                             | 637,604                           |
| <b>Equity attributable to owners of the Company</b> |      |                                     |                                   |                                     |                                   |
| Share capital                                       | 14   | 487,903                             | 487,902                           | 978,725                             | 978,724                           |
| Treasury shares                                     |      | (22,017)                            | (22,017)                          | (22,017)                            | (22,017)                          |
| Other reserves                                      |      | (178,096)                           | (180,916)                         | 661                                 | 661                               |
| Retained earnings/(accumulated losses)              |      | 53,854                              | 45,608                            | (223,162)                           | (319,764)                         |
|   |      | 341,644                             | 330,577                           | 734,207                             | 637,604                           |
| Non-controlling interests                           |      | 2,847                               | 193                               | –                                   | –                                 |
| <b>Total equity</b>                                 |      | 344,491                             | 330,770                           | 734,207                             | 637,604                           |
| <b>Total equity and liabilities</b>                 |      | 478,116                             | 448,154                           | 736,771                             | 640,354                           |

**1(c) Condensed Interim Statements of Changes in Equity**

**Attributable to owners of the Company**

| Group   | Ordinary shares<br>RM'000 | Treasury shares<br>RM'000 | Total other reserves<br>RM'000 | Foreign currency translation reserve<br>RM'000 | Net premium paid/received on transactions with non-controlling interests<br>RM'000 | Gain on reissuance of treasury shares<br>RM'000 | Capital reserve<br>RM'000 | Attributable to owners of the Company |  |                                     |                        |
|---|---------------------------|---------------------------|--------------------------------|--|--|---|---------------------------|---------------------------------------|--|-------------------------------------|------------------------|
|   |                           |                           |                                |  |  |   |                           | Retained earnings<br>RM'000           | Total equity attributable to owners of the Company<br>RM'000 | Non-controlling interests<br>RM'000 | Total equity<br>RM'000 |
| Opening balance at 1 March 2022                     | 487,902                   | (22,017)                  | (180,916)                      | 606  | (178,818)  | 661   | (3,365)                   | 45,608                                | 330,577  | 193                                 | 330,770                |
| Profit/(loss) for the period                        | –                         | –                         | –                              | –  | –  | –   | –                         | 15,569                                | 15,569   | (149)                               | 15,420                 |
| Other comprehensive income for the period           | –                         | –                         | 556                            | 556  | –  | –   | –                         | –                                     | 556  | 7                                   | 563                    |
| Total comprehensive income for the period           | –                         | –                         | 556                            | 556  | –  | –   | –                         | 15,569                                | 16,125   | (142)                               | 15,983                 |
| <u>Transactions with owners:</u>                    |                           |                           |                                |  |  |   |                           |                                       |  |                                     |                        |
| Allotment of new ordinary shares                    | 1                         | –                         | –                              | –  | –  | –   | –                         | –                                     | 1  | –                                   | 1                      |
| Dividend on ordinary shares                         | –                         | –                         | –                              | –  | –  | –   | –                         | (7,855)                               | (7,855)  | –                                   | (7,855)                |
| Effect of changes in functional currency            | –                         | –                         | (532)                          | (532)  | –  | –   | –                         | 532                                   | –  | –                                   | –                      |
| Total transactions with owners                      | 1                         | –                         | (532)                          | (532)  | –  | –   | –                         | (7,323)                               | (7,854)  | –                                   | (7,854)                |
| <u>Transactions with non-controlling interests:</u> |                           |                           |                                |  |  |   |                           |                                       |  |                                     |                        |
| Derecognition of put option liability               | –                         | –                         | 2,796                          | (569)  | –  | –   | 3,365                     | –                                     | 2,796  | 2,796                               | 5,592                  |
| Total transactions with non-controlling interests   | –                         | –                         | 2,796                          | (569)  | –  | –   | 3,365                     | –                                     | 2,796  | 2,796                               | 5,592                  |
| <b>Closing balance at 28 February 2023</b>          | <b>487,903</b>            | <b>(22,017)</b>           | <b>(178,096)</b>               | <b>61</b>                                      | <b>(178,818)</b>   | <b>661</b>                                      | <b>–</b>                  | <b>53,854</b>                         | <b>341,644</b>   | <b>2,847</b>                        | <b>344,491</b>         |

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

|   | Attributable to owners of the Company |                           |                                |  |  |   |                           |                             |  |                                     |                        |
|---|---------------------------------------|---------------------------|--------------------------------|--|--|---|---------------------------|-----------------------------|--|-------------------------------------|------------------------|
|   | Ordinary shares<br>RM'000             | Treasury shares<br>RM'000 | Total other reserves<br>RM'000 | Foreign currency translation reserve<br>RM'000 | Net premium paid/received on transactions with non-controlling interests<br>RM'000 | Gain on reissuance of treasury shares<br>RM'000 | Capital reserve<br>RM'000 | Retained earnings<br>RM'000 | Total equity attributable to owners of the Company<br>RM'000 | Non-controlling interests<br>RM'000 | Total equity<br>RM'000 |
| <b>Group</b>  |                                       |                           |                                |  |  |   |                           |                             |  |                                     |                        |
| Opening balance at 1 March 2021                     | 487,902                               | (22,017)                  | (145,204)                      | (139)  | (142,893)  | 661   | (2,833)                   | 49,245                      | 369,926  | 11,939                              | 381,865                |
| Loss for the period                                 | –                                     | –                         | –                              | –  | –  | –   | –                         | (3,637)                     | (3,637)  | (2,340)                             | (5,977)                |
| Other comprehensive income for the period           | –                                     | –                         | 745                            | 745  | –  | –   | –                         | –                           | 745  | 56                                  | 801                    |
| Total comprehensive income/(loss) for the period    | –                                     | –                         | 745                            | 745  | –  | –   | –                         | (3,637)                     | (2,892)  | (2,284)                             | (5,176)                |
| <u>Transactions with non-controlling interests:</u> |                                       |                           |                                |  |  |   |                           |                             |  |                                     |                        |
| Transfer to reserves                                | –                                     | –                         | (532)                          | –  | –  | –   | (532)                     | –                           | (532)  | 532                                 | –                      |
| Effect of changes in shareholdings                  | –                                     | –                         | (35,925)                       | –  | (35,925)   | –   | –                         | –                           | (35,925)   | (9,994)                             | (45,919)               |
| Total transactions with non-controlling interests   | –                                     | –                         | (36,457)                       | –  | (35,925)   | –   | (532)                     | –                           | (36,457)   | (9,462)                             | (45,919)               |
| <b>Closing balance at 28 February 2022</b>          | <b>487,902</b>                        | <b>(22,017)</b>           | <b>(180,916)</b>               | <b>606</b>                                     | <b>(178,818)</b>   | <b>661</b>                                      | <b>(3,365)</b>            | <b>45,608</b>               | <b>330,577</b>   | <b>193</b>                          | <b>330,770</b>         |

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

|  | <b>Ordinary<br/>shares<br/>RM'000</b> | <b>Treasury<br/>shares<br/>RM'000</b> | <b>Others<br/>reserve<br/>RM'000</b> | <b>Accumulated<br/>losses<br/>RM'000</b> | <b>Total<br/>equity<br/>RM'000</b> |
|--|---------------------------------------|---------------------------------------|--------------------------------------|--|------------------------------------|
| <b>Company</b>                             |                                       |                                       |                                      |  |                                    |
| Opening balance at 1 March 2022            | 978,724                               | (22,017)                              | 661                                  | (319,764)                                | 637,604                            |
| Profit for the period                      | –                                     | –                                     | –                                    | 104,457                                  | 104,457                            |
| Total comprehensive income for the period  | –                                     | –                                     | –                                    | 104,457                                  | 104,457                            |
| <u>Transactions with owners:</u>           |                                       |                                       |                                      |  |                                    |
| Allotment of new ordinary shares           | 1                                     | –                                     | –                                    | –  | 1                                  |
| Dividend on ordinary shares                | –                                     | –                                     | –                                    | (7,855)                                  | (7,855)                            |
| Total transactions with owners             | 1                                     | –                                     | –                                    | (7,855)                                  | (7,854)                            |
| <b>Closing balance at 28 February 2023</b> | <b>978,725</b>                        | <b>(22,017)</b>                       | <b>661</b>                           | <b>(223,162)</b>                         | <b>734,207</b>                     |

DUTY FREE INTERNATIONAL LIMITED  
(Company Registration No. 200102393E)  
(Incorporated in Republic of Singapore)

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

|  | <b>Ordinary<br/>shares<br/>RM'000</b> | <b>Treasury<br/>shares<br/>RM'000</b> | <b>Others<br/>reserve<br/>RM'000</b> | <b>Accumulated<br/>losses<br/>RM'000</b> | <b>Total<br/>equity<br/>RM'000</b> |
|--|---------------------------------------|---------------------------------------|--------------------------------------|--|------------------------------------|
| <b>Company</b>                             |                                       |                                       |                                      |  |                                    |
| Opening balance at 1 March 2021            | 978,724                               | (22,017)                              | 661                                  | (328,863)                                | 628,505                            |
| Profit for the period                      | -                                     | -                                     | -                                    | 9,099                                    | 9,099                              |
| Total comprehensive income for the period  | -                                     | -                                     | -                                    | 9,099                                    | 9,099                              |
| <b>Closing balance at 28 February 2022</b> | <b>978,724</b>                        | <b>(22,017)</b>                       | <b>661</b>                           | <b>(319,764)</b>                         | <b>637,604</b>                     |

**1(d) Condensed Interim Consolidated Statement of Cash Flows**

|  | <b>Group</b>  |  | <b>Group</b>   |                                      |
|--|---|--|--|--------------------------------------|
|  | <b>Fourth quarter ended<br/>28 February<br/>2023<br/>(Unaudited)<br/>RM'000</b> | <b>2022<br/>(Unaudited)<br/>RM'000</b> | <b>Full year ended<br/>28 February<br/>2023<br/>(Unaudited)<br/>RM'000</b> | <b>2022<br/>(Audited)<br/>RM'000</b> |
| <b>Cash flows from operating activities</b>                          |   |  |  |                                      |
| Profit/(loss) before tax   | 8,324   | 1,197                                  | 17,391   | (6,979)                              |
| <u>Adjustments for:</u>  |   |  |  |                                      |
| Amortisation of intangible assets                                    | –   | 30                                     | –  | 162                                  |
| Depreciation of property, plant and equipment                        | 747   | 967                                    | 3,853  | 4,096                                |
| Depreciation of right-of-use assets                                  | 1,859   | 1,925                                  | 7,609  | 7,729                                |
| Deposit forfeited  | (34)  | –                                      | (594)  | –                                    |
| Bad debts written off  | 40  | 6                                      | 45   | 47                                   |
| Impairment loss on right-of-use assets                               | 85  | –                                      | 85   | –                                    |
| Finance costs  | 1,691   | 1,572                                  | 6,666  | 6,199                                |
| Lease concessions  | –   | (53)                                   | (164)  | (218)                                |
| (Gain)/loss arising from changes in fair values of biological assets | (61)  | 29                                     | (23)   | (55)                                 |
| Gain arising from changes in fair value of options                   | (222)   | –                                      | (222)  | –                                    |
| Gain on disposal of property, plant and equipment                    | –   | (58)                                   | (19)   | (84)                                 |
| Interest income  | (1,783)   | (1,142)                                | (5,744)  | (4,586)                              |
| Reversal of inventories written down                                 | (1,316)   | (2,362)                                | (6,997)  | (5,670)                              |
| Inventories written off  | 6   | 5                                      | 2,562  | 77                                   |
| Net unrealised foreign exchange gain                                 | (1,460)   | (869)                                  | (4,350)  | (3,432)                              |
| Property, plant and equipment written off                            | –   | 19                                     | 5  | 19                                   |
| Reversal of impairment losses on receivables                         | (345)   | (18)                                   | (382)  | (108)                                |
| Provision/(reversal) of short term accumulating compensated absences | 25  | (55)                                   | 25   | (55)                                 |
| <b>Operating cash flows before changes in working capital</b>        | <b>7,556</b>  | <b>1,193</b>                           | <b>19,746</b>  | <b>(2,858)</b>                       |
| <u>Changes in working capital</u>                                    |   |  |  |                                      |
| (Increase)/decrease in trade and other receivables                   | (897)   | 1,034                                  | 2,579  | 10,243                               |
| (Increase)/decrease in prepayments                                   | (335)   | (269)                                  | (3,872)  | 424                                  |
| (Increase)/decrease in inventories                                   | (2,878)   | 16,965                                 | (32,045)   | 24,716                               |
| (Decrease)/increase in trade and other payables                      | (11,479)  | (30,503)                               | 13,334   | (24,425)                             |
| <b>Cash flows (used in)/generated from operations</b>                | <b>(8,033)</b>  | <b>(11,580)</b>                        | <b>(258)</b>   | <b>8,100</b>                         |
| Interest paid  | (18)  | (4)                                    | (136)  | (87)                                 |
| Income taxes paid  | (474)   | (633)                                  | (1,384)  | (6,645)                              |
| <b>Net cash flows (used in)/generated from operating activities</b>  | <b>(8,525)</b>  | <b>(12,217)</b>                        | <b>(1,778)</b>   | <b>1,368</b>                         |

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

|  | Group  |                               | Group   |                             |
|--|--|-------------------------------|---|-----------------------------|
|  | Fourth quarter ended<br>28 February<br>2023<br>(Unaudited)<br>RM'000 | 2022<br>(Unaudited)<br>RM'000 | Full year ended<br>28 February<br>2023<br>(Unaudited)<br>RM'000 | 2022<br>(Audited)<br>RM'000 |
| <b>Cash flows from investing activities</b>                                    |  |                               |   |                             |
| Interest received  | 1,783  | 1,142                         | 5,744   | 4,586                       |
| Payment for acquisition of equity interest in subsidiary, net of cash acquired | –  | (45,919)                      | –   | (45,919)                    |
| Proceeds from disposal of property, plant and equipment                        | –  | 58                            | 19  | 84                          |
| Purchase of property, plant and equipment                                      | (200)  | (49)                          | (303)   | (117)                       |
| <b>Net cash flows generated from/(used in) investing activities</b>            | <b>1,583</b>   | <b>(44,768)</b>               | <b>5,460</b>  | <b>(41,366)</b>             |
| <b>Cash flows from financing activities</b>                                    |  |                               |   |                             |
| Increase in pledged fixed deposits   | (27)   | (26)                          | (170)   | (154)                       |
| Payment of lease liabilities   | (185)  | (192)                         | (652)   | (700)                       |
| Proceed from/(repayment of) other short term borrowings                        | 3,960  | (1,988)                       | 3,960   | (6,249)                     |
| Net repayment of obligations under finance leases                              | (18)   | (20)                          | (79)  | (97)                        |
| Dividends paid to the ordinary shareholders of the Company                     | (7,855)  | –                             | (7,855)   | –                           |
| Proceeds from exercise of warrants   | –  | –                             | 1   | –                           |
| <b>Net cash used in financing activities</b>                                   | <b>(4,125)</b>   | <b>(2,226)</b>                | <b>(4,795)</b>  | <b>(7,200)</b>              |
| <b>Net decrease in cash and cash equivalents</b>                               | <b>(11,067)</b>  | <b>(59,211)</b>               | <b>(1,113)</b>  | <b>(47,198)</b>             |
| Effects of foreign exchange rate changes                                       | 1,951  | 2,397                         | 4,461   | 5,430                       |
| Cash and cash equivalents at beginning of the period/year                      | 155,925  | 200,275                       | 143,461   | 185,229                     |
| <b>Cash and cash equivalents at end of year</b>                                | <b>146,809</b>   | <b>143,461</b>                | <b>146,809</b>  | <b>143,461</b>              |
| <b>Cash and cash equivalents comprise of:</b>                                  |  |                               |   |                             |
| Cash and deposits with licensed banks  | 156,919  | 153,400                       | 156,919   | 153,400                     |
| Deposits pledged with licensed banks   | (10,110)   | (9,940)                       | (10,110)  | (9,940)                     |
| <b>Cash and cash equivalents</b>   | <b>146,809</b>   | <b>143,461</b>                | <b>146,809</b>  | <b>143,461</b>              |

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## **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 28 February 2023 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 28 February 2023 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 year ended 28 February 2022.

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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**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 28 February 2022.

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-month period ended 28 February 2023.

**4. Seasonal operations**

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

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## 5. Revenue and segment information

### 5.1 Revenue

|  | Group<br>Fourth quarter ended<br>28 February |                | Group<br>Full year ended<br>28 February |                |
|--|--|----------------|---|----------------|
|  | 2023<br>RM'000                               | 2022<br>RM'000 | 2023<br>RM'000                          | 2022<br>RM'000 |
| Sale of goods                            | 48,213                                       | 30,206         | 148,514                                 | 97,299         |
| Parking operations                       | 405  | –              | 994                                     | –              |
| Rental income                            | 1  | 1              | 3                                       | 3              |
| Sale of fresh oil palm fruit bunches     | 547  | 377            | 2,286                                   | 1,823          |
|  | <u>49,166</u>                                | <u>30,584</u>  | <u>151,797</u>                          | <u>99,125</u>  |
| Timing of transfer of goods and services |  |                |   |                |
| At a point in time                       | <u>49,166</u>                                | <u>30,584</u>  | <u>151,797</u>                          | <u>99,125</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:

| Fourth quarter:                     | Trading of duty free & duty paid goods and non-dutiable merchandise |         | Investment holdings and others   |         | Adjustments and eliminations     |         | Notes | Per consolidated financial statements |         |
|-------------------------------------|---|---------|----------------------------------|---------|----------------------------------|---------|-------|---------------------------------------|---------|
|                                     | Fourth quarter ended 28 February                                    |         | Fourth quarter ended 28 February |         | Fourth quarter ended 28 February |         |       | Fourth quarter ended 28 February      |         |
|                                     | 2023  | 2022    | 2023                             | 2022    | 2023                             | 2022    |       | 2023                                  | 2022    |
|                                     | RM'000  | RM'000  | RM'000                           | RM'000  | RM'000                           | RM'000  |       | RM'000                                | RM'000  |
| <b>Revenue:</b>                     |   |         |                                  |         |                                  |         |       |                                       |         |
| Sales to external customers         | 48,213  | 30,206  | 953                              | 378     | –                                | –       |       | 49,166                                | 30,584  |
| Inter-segment sales                 | –   | –       | 164                              | 164     | (164)                            | (164)   | A     | –                                     | –       |
| Total revenue                       | 48,213  | 30,206  | 1,117                            | 542     | (164)                            | (164)   |       | 49,166                                | 30,584  |
| Interest income                     | 308   | 190     | 1,475                            | 952     | –                                | –       |       | 1,783                                 | 1,142   |
| Miscellaneous Income                | 2,654   | 5,458   | 45                               | 658     | (292)                            | (188)   |       | 2,407                                 | 5,928   |
| Total revenue and other income      | 51,175  | 35,854  | 2,637                            | 2,152   | (456)                            | (352)   |       | 53,356                                | 37,654  |
| <b>Results:</b>                     |   |         |                                  |         |                                  |         |       |                                       |         |
| Segment profit/(loss)               | 11,349  | 6,660   | 3,150                            | 1,328   | (1,878)                          | (2,297) |       | 12,621                                | 5,691   |
| Depreciation and amortisation       | (2,256)   | (2,568) | (350)                            | (354)   | –                                | –       |       | (2,606)                               | (2,922) |
| Finance costs                       | (1,878)   | (2,297) | –                                | –       | 187                              | 725     |       | (1,691)                               | (1,572) |
| Profit/(loss) before tax            | 7,215   | 1,795   | 2,800                            | 974     | (1,691)                          | (1,572) | B     | 8,324                                 | 1,197   |
| <b>Assets</b>                       |   |         |                                  |         |                                  |         |       |                                       |         |
| Additions/(reversal) to non-current | (23)  | 49      | –                                | –       | –                                | –       | C     | (23)                                  | 49      |
| Segment assets                      | 269,258   | 254,082 | 196,025                          | 180,216 | 12,833                           | 13,856  | D     | 478,116                               | 448,154 |
| <b>Segment liabilities</b>          | 125,922   | 103,064 | 1,648                            | 7,829   | 6,055                            | 6,491   | E     | 133,625                               | 117,384 |

**5. Segment and revenue information (cont'd)**

**5.2 Segment information (cont'd)**

**Operating segments (cont'd)**

|   | Trading of duty free & duty paid goods and non-dutiable merchandise |          | Investment holdings and others |         | Adjustments and eliminations |         | Notes | Per consolidated financial statements |          |
|---|---|----------|--------------------------------|---------|------------------------------|---------|-------|---------------------------------------|----------|
|   | 12 months ended 28 February   |          | 12 months ended 28 February    |         | 12 months ended 28 February  |         |       | 12 months ended 28 February           |          |
|   | 2023  | 2022     | 2023                           | 2022    | 2023                         | 2022    |       | 2023                                  | 2022     |
| Full year                               | RM'000  | RM'000   | RM'000                         | RM'000  | RM'000                       | RM'000  |       | RM'000                                | RM'000   |
| <b>Revenue:</b>                         |   |          |                                |         |                              |         |       |                                       |          |
| Sales to external customers             | 148,514   | 97,299   | 3,283                          | 1,826   | –                            | –       |       | 151,797                               | 99,125   |
| Inter-segment sales                     | –   | –        | 657                            | 657     | (657)                        | (657)   | A     | –                                     | –        |
| Total revenue                           | 148,514   | 97,299   | 3,940                          | 2,483   | (657)                        | (657)   |       | 151,797                               | 99,125   |
| Interest income                         | 1,072   | 730      | 4,672                          | 3,856   | –                            | –       |       | 5,744                                 | 4,586    |
| Miscellaneous Income                    | 8,038   | 10,611   | 988                            | 882     | (292)                        | (188)   |       | 8,734                                 | 11,305   |
| Total revenue and other income          | 157,624   | 108,640  | 9,600                          | 7,221   | (949)                        | (845)   |       | 166,275                               | 115,016  |
| <b>Results:</b>                         |   |          |                                |         |                              |         |       |                                       |          |
| Segment profit/(loss)                   | 33,650  | 12,112   | 8,887                          | 6,195   | (7,018)                      | (7,100) |       | 35,519                                | 11,207   |
| Depreciation and amortisation           | (10,056)  | (10,568) | (1,406)                        | (1,419) | –                            | –       |       | (11,462)                              | (11,987) |
| Finance costs                           | (7,018)   | (7,100)  | –                              | –       | 352                          | 901     |       | (6,666)                               | (6,199)  |
| Profit/(loss) before tax                | 16,576  | (5,556)  | 7,481                          | 4,776   | (6,666)                      | (6,199) | B     | 17,391                                | (6,979)  |
| <b>Assets</b>                           |   |          |                                |         |                              |         |       |                                       |          |
| Additions to non-current Segment assets | 392   | 117      | –                              | –       | –                            | –       | C     | 392                                   | 117      |
|   | 269,258   | 254,082  | 196,025                        | 180,216 | 12,833                       | 13,856  | D     | 478,116                               | 448,154  |
| <b>Segment liabilities</b>              |   |          |                                |         |                              |         |       |                                       |          |
|   | 125,922   | 103,064  | 1,648                          | 7,829   | 6,055                        | 6,491   | E     | 133,625                               | 117,384  |

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**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 The following items were deducted from segment results to arrive at profit/(loss) before tax presented in the income statement:

|               | Fourth quarter ended<br>28 February |                | Full year ended<br>28 February |                |
|---------------|-------------------------------------|----------------|--------------------------------|----------------|
|               | 2023<br>RM'000                      | 2022<br>RM'000 | 2023<br>RM'000                 | 2022<br>RM'000 |
| Finance costs | 1,691                               | 1,572          | 6,666                          | 6,199          |

C (Reversals)/additions to non-current assets consist of:

|                               | Fourth quarter ended<br>28 February |                | Full year ended<br>28 February |                |
|-------------------------------|-------------------------------------|----------------|--------------------------------|----------------|
|                               | 2023<br>RM'000                      | 2022<br>RM'000 | 2023<br>RM'000                 | 2022<br>RM'000 |
| Property, plant and equipment | (23)                                | 49             | 392                            | 117            |

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**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**

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

|                     | <b>28.02.2023</b> | <b>28.02.2022</b> |
|---------------------|-------------------|-------------------|
|                     | RM'000            | RM'000            |
| Deferred tax assets | 7,680             | 7,403             |
| Tax recoverable     | 5,153             | 6,453             |
|                     | <u>12,833</u>     | <u>13,856</u>     |

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

|                          | <b>28.02.2023</b> | <b>28.02.2022</b> |
|--------------------------|-------------------|-------------------|
|                          | RM'000            | RM'000            |
| Deferred tax liabilities | 5,760             | 6,037             |
| Income tax payable       | 295               | 454               |
|                          | <u>6,055</u>      | <u>6,491</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 28 February 2023 and 28 February 2022:

### 6.1 Financial assets

|   | Group          |                | Company       |               |
|---|----------------|----------------|---------------|---------------|
|   | 28.02.2023     | 28.02.2022     | 28.02.2023    | 28.02.2022    |
|   | RM'000         | RM'000         | RM'000        | RM'000        |
| <b>Trade and other receivables:</b>                     |                |                |               |               |
| Trade receivables                                       | 1,981          | 1,034          | –             | –             |
| Deposits  | 3,064          | 5,373          | –             | –             |
| Due from Berjaya  |                |                |               |               |
| Waterfront Sdn Bhd*                                     | 40,338         | 40,434         | –             | –             |
| Sundry receivables                                      | 1,150          | 1,933          | 355           | 125           |
| <b>Total trade and other receivables</b>                | <b>46,533</b>  | <b>48,774</b>  | <b>355</b>    | <b>125</b>    |
| <i>Add: Cash and bank balances</i>                      | 156,919        | 153,401        | 90,356        | 83,970        |
| <i>Less: Goods and Services Tax receivable</i>          | –              | (1,225)        | –             | –             |
| <b>Total financial assets carried at amortised cost</b> | <b>203,452</b> | <b>200,950</b> | <b>90,711</b> | <b>84,095</b> |

#### \*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.

The balance of RM40.0 million was scheduled to be repaid on or before 15 April 2023. On 15 April 2023, both parties had mutually agreed that BWSB shall pay the remaining deferred consideration of RM40.0 million on or before 15 April 2024 and BWSB will continue to pay interest at 7% per annum on the unpaid consideration on a quarterly basis.

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

**6.2 Financial liabilities**

|  | <b>Group</b>      |                   | <b>Company</b>    |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | <b>28.02.2023</b> | <b>28.02.2022</b> | <b>28.02.2023</b> | <b>28.02.2022</b> |
|  | RM'000            | RM'000            | RM'000            | RM'000            |
| <b>Trade and other payables:</b>                             |                   |                   |                   |                   |
| Trade payables   | 15,815            | 3,398             | –                 | –                 |
| Accruals   | 3,020             | 3,110             | 649               | 563               |
| Accrued payroll related expenses                             | 194               | 129               | –                 | –                 |
| Rental payables  | 798               | 1,320             | –                 | –                 |
| Deposit received for the proposed disposal #                 | –                 | 560               | –                 | –                 |
| Other deposits received                                      | 287               | 448               | –                 | –                 |
| Royalty payables   | 1,043             | 100               | –                 | –                 |
| Sundry payables  | 1,018             | 813               | 53                | 7                 |
| Put option liability ^                                       | –                 | 5,592             | –                 | –                 |
| <b>Total trade and other payables</b>                        | <b>22,175</b>     | <b>15,470</b>     | <b>702</b>        | <b>570</b>        |
| <i>Add: Borrowings</i>                                       | 4,009             | 128               | –                 | –                 |
| <i>Less: Goods and Services Tax payable</i>                  | –                 | (41)              | –                 | –                 |
| <b>Total financial liabilities carried at amortised cost</b> | <b>26,184</b>     | <b>15,557</b>     | <b>702</b>        | <b>570</b>        |

# This deposit was related to the proposed sale of Kelana Megah Sdn Bhd's intended lease interests in the land parcel bearing lot number PTB 20379 to Berjaya Waterfront Sdn Bhd for a consideration of RM27.99 million ("KMSB Agreement"). However, the KMSB Agreement was rescinded and revoked on 8 April 2022, and accordingly, the deposit received from Berjaya Waterfront Sdn Bhd was forfeited and was recognised as other income in the first quarter of the current financial reporting period.

^ The put option liability reflects the carrying amount of the put options issued to 22.22% of non-controlling interest in a subsidiary, Brand Connect Holding Pte. Ltd. ("BCH") in the prior year. As at 28 February 2023, the carrying value of the liability has been adjusted to RM Nil as the option is no longer expected to be exercised due to the planned voluntary liquidation of BCH within the next financial year.

**7. Profit before taxation**

**7.1 Significant items**

**(a) Other income**

|  | <b>Group</b>                                |              | <b>Group</b>                           |               |
|--|---|--------------|--|---------------|
|  | <b>Fourth quarter ended<br/>28 February</b> |              | <b>Full year ended<br/>28 February</b> |               |
|  | <b>2023</b>                                 | <b>2022</b>  | <b>2023</b>                            | <b>2022</b>   |
|  | RM'000                                      | RM'000       | RM'000                                 | RM'000        |
| Interest income from licensed banks                                    | 1,092                                       | 254          | 2,843                                  | 986           |
| Interest income from Berjaya<br>Waterfront Sdn Bhd                     | 691   | 888          | 2,901                                  | 3,600         |
| Rental income  |   |              |  |               |
| - advertisement space  | 9   | 595          | 32                                     | 608           |
| - property, plant and equipment  | 133   | 39           | 462                                    | 154           |
| Deposit forfeited  | 34  | -            | 594                                    | -             |
| Commission income  | 5   | 21           | 19                                     | 23            |
| Gain/(loss) arising from changes in<br>fair value of biological assets | 61  | (29)         | 23                                     | 55            |
| Gain on disposal of property, plant<br>and equipment                   | -   | 58           | 19                                     | 84            |
| Lease concessions  | -   | 53           | 164                                    | 218           |
| Reversal of inventories<br>written down                                | 1,316                                       | 2,362        | 6,997                                  | 5,670         |
| Inventories written off  | (6)   | (5)          | (2,562)                                | (77)          |
| Net reversal of<br>inventories written down                            | 1,310                                       | 2,357        | 4,435                                  | 5,593         |
| Reversal of impairment loss on<br>receivables                          | 345   | 18           | 382                                    | 108           |
| Miscellaneous income   | 510   | 2,816        | 2,604                                  | 4,462         |
|  | <b>4,190</b>                                | <b>7,070</b> | <b>14,478</b>                          | <b>15,891</b> |

Included in miscellaneous income for the full year ended 28 February 2023 and fourth quarter were government grants of RM535,200 (28 February 2022: RM2,073,000) and RM Nil (28 February 2022: RM785,000) respectively received by the Group under the wage subsidy programmes introduced in Malaysia in response to the COVID-19 pandemic.

**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:

|   | <b>Group</b>                |             | <b>Group</b>           |             |
|---|-----------------------------|-------------|------------------------|-------------|
|   | <b>Fourth quarter ended</b> |             | <b>Full year ended</b> |             |
|   | <b>28 February</b>          |             | <b>28 February</b>     |             |
|   | <b>2023</b>                 | <b>2022</b> | <b>2023</b>            | <b>2022</b> |
|   | RM'000                      | RM'000      | RM'000                 | RM'000      |
| Assessment and quit rent                          | 338                         | 313         | 1,067                  | 1,040       |
| Auditors' remuneration                            | 353                         | 557         | 1,074                  | 1,183       |
| Bank charges                                      | 271                         | 321         | 1,104                  | 1,400       |
| Bad debts written off                             | 40                          | 6           | 45                     | 47          |
| Donations   | 207                         | 256         | 410                    | 256         |
| GST related expenses                              | –                           | –           | 1,225                  | –           |
| Management fees                                   | 500                         | 300         | 1,600                  | 1,505       |
| Payment in relation to settlement<br>with Customs | –                           | –           | 1,500                  | –           |
| Property, plant and equipment<br>written off      | –                           | 19          | 5                      | 19          |

**7. Profit before taxation (cont'd)**

**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 and related parties of the Group are as set out below:

|   | Group<br>Fourth quarter ended<br>28 February |                | Group<br>Full year ended<br>28 February |                |
|---|--|----------------|---|----------------|
|   | 2023<br>RM'000                               | 2022<br>RM'000 | 2023<br>RM'000                          | 2022<br>RM'000 |
| <b>Holding company:</b>                                       |  |                |   |                |
| - Management fee  | 500  | 300            | 1,600                                   | 1,200          |
| <b>Related party:</b>   |  |                |   |                |
| - Donation to Yayasan Harmoni                                 | 200  | 250            | 200                                     | 250            |
| - Purchases from Heinemann<br>Asia Pacific Pte. Ltd. ("HAP")* | –  | 3,213          | –                                       | 26,340         |
| - Management fee paid to HAP*                                 | –  | –              | –                                       | 305            |
| - Ad-space rental received from<br>HAP*                       | –  | 589            | –                                       | 589            |
| - Reimbursement of costs from<br>HAP*                         | –  | 409            | –                                       | 4,300          |

\*Subsequent to the Termination Deed signed by the Company and HAP on 7 December 2021, HAP became a non-related party.

**8. Income tax expense/(benefit)**

Major components of income tax expense/(benefit)

The Group calculated the income tax expense/(benefit) 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/(benefit) in the condensed interim consolidated statement of profit or loss are as follows:

|  | Group<br>Fourth quarter ended<br>28 February |                | Group<br>Full year ended<br>28 February |                |
|--|--|----------------|---|----------------|
|  | 2023<br>RM'000                               | 2022<br>RM'000 | 2023<br>RM'000                          | 2022<br>RM'000 |
| Current income tax expense   | 730  | 583            | 2,525                                   | 1,335          |
| Deferred income tax expense relating to<br>origination and reversal of temporary<br>difference | (174)  | (2,292)        | (554)                                   | (2,337)        |
| Income tax expense/(benefit) recognised<br>in profit or loss                                   | 556  | (1,709)        | 1,971                                   | (1,002)        |

**9. Net asset value**

|   | Group                        |                              | Company                      |                              |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
|   | As at<br>28 February<br>2023 | As at<br>28 February<br>2022 | As at<br>28 February<br>2023 | As at<br>28 February<br>2022 |
| Net asset value per ordinary share (sen)                              | 28.51                        | 27.59                        | 53.59                        | 53.21                        |
| Number of shares used in calculating net asset value per share ('000) | 1,198,200                    | 1,198,199                    | 1,198,200                    | 1,198,199                    |

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

## 10. Financial assets at fair value through other comprehensive income (cont'd)

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<br>prices in<br>active<br>markets for<br>identical<br>instruments<br>(Level 1)<br>RM'000 | Significant<br>observable<br>inputs other<br>than quoted<br>prices<br>(Level 2)<br>RM'000 | Significant<br>un-<br>observable<br>inputs<br>(Level 3)<br>RM'000 | Total<br>RM'000 |
|-------------------------------|---|---|---|-----------------|
| <b>At 28 February 2023</b>    |   |   |   |                 |
| <b>Non-financial assets:</b>  |   |   |   |                 |
| - Biological assets           | –   | –   | 178   | 178             |
| <b>Financial assets:</b>      |   |   |   |                 |
| - Forward currency contracts  | –   | 29  | –   | 29              |
| <b>At 28 February 2022</b>    |   |   |   |                 |
| <b>Non-financial assets:</b>  |   |   |   |                 |
| - Biological assets           | –   | –   | 155   | 155             |
| <b>Financial liabilities:</b> |   |   |   |                 |
| Derivatives                   |   |   |   |                 |
| - Call and put options        | –   | –   | (222)   | (222)           |
| <b>Company</b>                |   |   |   |                 |
| <b>At 28 February 2022</b>    |   |   |   |                 |
| <b>Financial liabilities:</b> |   |   |   |                 |
| Derivatives                   |   |   |   |                 |
| - Call and put options        | –   | –   | (515)   | (515)           |

## 11. Intangible assets

### 11.1 Goodwill

| Group   | Goodwill<br>RM'000 |
|---|--------------------|
| <b>At 28 February 2022 and 28 February 2023</b> |                    |
| Cost  | 28,816             |
| Accumulated impairment losses                   | (22,998)           |
| Net carrying amount                             | 5,818              |

## **11. Intangible assets (cont'd)**

### **11.1 Goodwill (cont'd)**

The cash-generating units ("CGU") to which goodwill have been allocated were tested for impairment as at 28 February 2023. 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 FY2022, for 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 financial budget prepared. Revenue growth rates for FY2025 ranged between 6% to 14% and 3% to 48% for FY2026 to FY2028.
- ii) The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment were in the range of 22.2% to 23.5%, 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 ranged from 15.4% to 15.6% 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 28 February 2023.

### **11.2 Non-current prepayment**

The non-current prepayment was related to the development return paid to the State Government of Johor and City Council of Johor Bahru as a cost of future development for the land parcel bearing the lot number PTB 20379. The group is not expected to commence any development on the said land within the next 12 months.

## 12. Property, plant and equipment

During the full year ended 28 February 2023, the Group acquired assets by the following means:

|                                     | <b>Group</b>      |                   |
|-------------------------------------|-------------------|-------------------|
|                                     | <b>28.02.2023</b> | <b>28.02.2022</b> |
|                                     | RM'000            | RM'000            |
| Cash payment                        | 303               | 117               |
| Capitalisation of restoration costs | 89                | –                 |
|                                     | 392               | 117               |
|                                     | 392               | 117               |

## 13. Borrowings

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | <b>28.02.2023</b> | <b>28.02.2022</b> |
|  | RM'000            | RM'000            |
| <b>Amount repayable within one year or on demand</b> |                   |                   |
| Secured:   |                   |                   |
| Bankers' acceptances                                 | 3,960             | –                 |
| Obligations under finance leases                     | 49                | 79                |
|  | 4,009             | 79                |
|  | 4,009             | 79                |
| <b>Amount repayable after one year</b>               |                   |                   |
| Secured:   |                   |                   |
| Obligations under finance leases                     | –                 | 49                |
|  | –                 | 49                |
|  | –                 | 49                |
| Total borrowings                                     | 4,009             | 128               |

The borrowings are secured by way of corporate guarantees from a subsidiary and certain amount of deposits with a licensed bank.

## 14. Share capital

| <b>Company</b>              | <b>Number of ordinary shares</b> |                   | <b>Amount</b>     |                   |
|-----------------------------|----------------------------------|-------------------|-------------------|-------------------|
|                             | <b>28.02.2023</b>                | <b>28.02.2022</b> | <b>28.02.2023</b> | <b>28.02.2022</b> |
|                             | '000                             | '000              | RM'000            | RM'000            |
| Beginning of interim period | 1,198,199                        | 1,198,199         | 978,724           | 978,724           |
| Conversion of warrants      | 1                                | –                 | 1                 | –                 |
| End of interim period       | 1,198,200                        | 1,198,199         | 978,725           | 978,724           |
|                             | 1,198,200                        | 1,198,199         | 978,725           | 978,724           |

**14. Share capital (cont'd)**

| <u>Outstanding Convertible Securities</u>                               | <b>Company</b>                        |                                       |
|---|---------------------------------------|---------------------------------------|
|   | <b>As at<br/>28 February<br/>2023</b> | <b>As at<br/>28 February<br/>2022</b> |
| Number of outstanding convertible securities ('000)                     | –                                     | 491,400                               |
| Number of ordinary shares upon conversion of convertibles ('000)        | –                                     | 491,400                               |
| Total number of ordinary shares issued excluding treasury shares ('000) | 1,198,200                             | 1,198,199                             |
| As a percentage of total ordinary shares issued (%)                     | –                                     | 41.0                                  |

Total treasury shares as at 28 February 2023 was 30,999,300 (28 February 2022: 30,999,300).

On 13 May 2022, total number of issued and paid-up ordinary shares of the Company increased from 1,229,198,393 ordinary shares to 1,229,199,593 ordinary shares by way of allotment and issuance of 1,200 new ordinary shares pursuant to the exercise of 1,200 Warrants at the exercise price of S\$0.330 for each ordinary share on the same day. Accordingly, pursuant to the aforesaid exercise of the Warrants, all the remaining 491,398,842 Warrants expired on 13 May 2022.

As at 28 February 2023, the Company's issued and paid-up share capital comprises 1,198,200,293 (28 February 2022: 1,198,199,093) ordinary shares, excluding treasury shares.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 28 February 2023.

**15. Subsequent events**

There were no material events subsequent to the current quarter under review and up to the date of this report.

**16. Review**

The condensed consolidated statement of financial position of Duty Free International Limited and its subsidiaries as at 28 February 2023 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.

**17. Review of performance of the Group**

**Consolidated statement of Comprehensive Income**

Fourth quarter ended 28 February 2023 ("4Q FY2023") vs Fourth quarter ended 28 February 2022 ("4Q FY2022")

Revenue

The Group recorded revenue of RM49.2 million in 4Q FY2023, representing an increase of 60.8% or RM18.6 million, over the revenue of RM30.6 million in 4Q FY2022. The increase was mainly due to the full resumption of the Group's retail outlets in the current quarter under review. In the corresponding quarter of the preceding year, various States of Malaysia were in different phases of National Recovery Plan ("NRP") whereby different levels of movement restrictions were implemented nationwide by Malaysia Government to curb the spread of the Covid-19 pandemic. Accordingly, only three outlets in the Group were in operations during 4QFY2022.

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 4Q FY2023, the value of the closing inventories was higher than the value of the opening inventories by RM2.9 million. In 4Q FY2022, the value of the closing inventories was lower by RM17.0 million. This resulted in a variance of RM19.9 million for 4Q FY2023 vis-à-vis 4Q FY2022, which was mainly due to higher purchases and consumption of inventories as all of the Group's outlets were in full operations in the current quarter under review.

Inventories purchased and material consumed

Inventories purchased and material consumed increased by RM27.7 million, from RM6.9 million in 4Q FY2022 to RM34.6 million in 4Q FY2023. This was mainly due to higher purchases and consumption of inventories as mentioned above.

## 17. Review of performance of the Group (cont'd)

### Consolidated statement of Comprehensive Income (cont'd)

#### Other Income

Other income decreased by RM2.9 million or 40.5% from RM7.1 million in 4Q FY2022 to RM4.2 million in 4Q FY2023 mainly due to lower reversal of inventories written down of RM1.1 million, lower advertisement space rental income of RM0.6 million coupled with lower miscellaneous income of RM2.2 million mainly due to lower rental rebate and no government grants received in 4Q FY2023. The adverse impact of the above was partially offset by higher interest income of RM0.7 million. The reversal of inventories written down was in relation to certain inventories that were previously written down, but subsequently managed to be sold in this reporting quarter.

#### Employee benefits expenses

Employee benefits expenses increased by 67.4% or RM2.0 million, from RM3.0 million in 4Q FY2022 to RM5.0 million in 4Q FY2023. The increase was mainly due to increase in overtime wages, following the resumption of all outlet operations as well as salary upward revision and bonus provision as compared with the corresponding quarter of the previous financial year.

#### Rental of premises

The rental of premises expenses showed an increase of RM1.8 million from RM0.007 million in 4Q FY2022 to RM1.9 million in 4Q FY2023. The increase in rental expenses was mainly due to higher rental expenses incurred in FY2023 arising from the resumption of airport outlet operations since 2Q FY2023.

#### Professional fees

Professional fees decreased by RM0.95 million, from RM1.0 million in 4Q FY2022 to RM0.05 million in 4Q FY2023. The professional fees incurred for 4Q FY2022 was mainly due to consultancy services.

#### Utilities and maintenance expenses

Utilities and maintenance expenses recorded an increase of RM0.2 million or 39.7%, from RM0.4 million in 4QFY2022 to RM0.6 million in 4QFY2023 as a result of full operations of all of the Group's retail outlets as mentioned above.

#### Gain arising from changes in fair value of options

Gain arising from changes in fair value of options was RM0.2 million in 4Q FY2023. The fair value was in relation to the call and put options issued for remaining 22.22% stake in the Brand Connect Holding Pte. Ltd ("BCH"). The gain of RM0.2 million arising from adjustment on the carrying value of options to RM Nil as the option is no longer expected to be exercised due to the planned voluntary liquidation of BCH within the next financial year.

**17. Review of performance of the Group (cont'd)**

**Consolidated statement of Comprehensive Income (cont'd)**

Realised foreign exchange gain/(loss)

Realised foreign exchange gain in 4Q FY2023 was RM0.7million which was a favourable variance as compared to a realised foreign exchange loss of RM0.8 million recorded in 4Q FY2022. This was mainly due to currency translation gain on the Group's purchases from overseas suppliers due to Ringgit Malaysia which had strengthened against US Dollar during the current quarter review.

Unrealised foreign exchange gain

Unrealised foreign exchange gain in 4Q FY2023 of RM1.5 million was higher by RM0.6 million as compared to RM0.9 million gain in 4Q FY2022. This was mainly due to the currency translation to Ringgit Malaysia of the Group's deposits and bank balances in financial institutions of SGD20.9 million and USD2.0 million as at 28 February 2023, whereby Ringgit Malaysia had weakened against US Dollar by approximately 2.0% from RM4.35 as at 30 November 2022 to RM4.44 as at 28 February 2023 and Singapore Dollar by approximately 2.8% from RM3.19 as at 30 November 2022 to RM3.28 as at 28 February 2023.

The rest of the expenses on the Group's income statement remained largely unchanged in 4Q FY2023 as compared to 4Q FY2022.

Profit before income tax

The Group reported a profit before income tax of RM8.3 million for 4Q FY2023, which was RM7.1 million higher than profit before income tax of RM1.2 million recorded in 4Q FY2022. The higher profit in 4Q FY2023 was mainly due to higher revenue achieved and higher net foreign exchange gain of RM2.1 million coupled with lower professional fees of RM0.95 million incurred as mentioned above. However, the positive effect was partially offset by higher rental of premises of RM1.8 million, higher employee benefit expenses of RM2.0 million as well as lower operating income of RM2.9 million.

## **17. Review of performance of the Group (cont'd)**

### **Consolidated statement of Comprehensive Income (cont'd)**

#### Full year ended 28 February 2023 ("FY2023") vs Full year ended 28 February 2022 ("FY2022")

The Group recorded revenue for FY2023 of RM151.8 million, representing an increase of 53.1% or RM52.7 million, over the revenue of RM99.1 million in FY2022.

The Group reported a profit before income tax of RM17.4 million for 4Q FY2023, representing an increase of more than 100% or RM24.4 million as compared to a loss before income tax of RM7.0 million recorded in FY2022. The increase in profit was in tandem with higher revenue achieved, coupled with lower professional fees of RM0.7 million and higher net foreign exchange gain of RM2.1 million, coupled with lower depreciation and amortisation costs of RM0.5 million. However, the positive effect was partially offset by higher rental of premises of RM5.1 million, higher other operating expenses of RM5.0 million mainly due to GST related expenses and payment in relation to settlement with Customs coupled with higher employee benefit expenses of RM2.4 million as well as lower other operating income of RM1.5 million as mentioned above.

### **Consolidated Statement of Financial Position**

#### Property, plant and equipment

The decrease in net book value of the property, plant and equipment by RM3.4 million was mainly due to the depreciation charge of RM3.9 million which was partially offset by an addition of fixed assets of RM0.4 million during the twelve months of FY2023.

#### Right-of-use assets

The decrease in right-of-use assets by RM7.3 million was mainly due to the depreciation charge of RM7.6 million during the twelve months of FY2023, partially offset by renewal of leases of RM0.5 million.

#### Trade receivables and other receivables

The decrease in trade and other receivables by RM2.3 million was mainly due to the receipt of payments from certain debtors and deposit refunds during the twelve months of FY2023.

#### Prepayments (current and non-current)

Current prepayments increased by RM3.3 million, from RM1.8 million as at 28 February 2022 to RM5.1 million as at 28 February 2023 which was due to rental paid in advance in relation to one of the Group's retail outlets. Non-current prepayment of RM4.0 million as at 28 February 2023, increased by RM0.5 million due to additional development return paid to the State Government and City Council during the financial year 2023.

## 17. Review of performance of the Group (cont'd)

### Consolidated Statement of Financial Position (cont'd)

#### Inventories

The increase in inventories of RM36.4 million was mainly due to higher purchases of inventories in FY2023 following the full operations of all the retail outlets in the Group.

#### Trade and other payables

The increase in trade and other payables of RM6.7 million was mainly due to higher trade payable and higher royalty payable which were not yet due for payment as at 28 February 2023. The increase of RM12.4 million in trade payables as a result from purchases of inventories was in line with higher revenue achieved following the full resumption of the Group's retail outlets operations. The increase was, however partially offset by derecognition of the put option amounting to RM5.6 million as the option is no longer expected to be exercised as at 28 February 2023.

#### Borrowings (current and non-current)

Total borrowings increased by RM4.0 million mainly due to increase in trade facilities utilisation of RM4.0 million.

#### Lease liabilities (current and non-current)

The increase of lease liabilities of RM6.2 million was mainly due to renewal of leases amounting to RM0.5 million and accretion of interest of RM6.5 million charged during the financial year 2023. The increases were partially offset by the payment of lease liabilities of RM0.7 million in the same period.

#### Derivative liabilities

Derivative liabilities refer to the fair value of call and put options issued in relation to the remaining 22.22% stake in the Brand Connect Holding Pte. Ltd ("BCH"). The carrying amount has been adjusted to RM Nil as the options is no longer expected to be exercised due to the planned voluntary liquidation of BCH within the next financial year.

### Consolidated Statement of Cashflow

The Group spent approximately RM8.5 million of net cash in operating activities in 4Q FY2023 as compared to RM12.2 million in 4Q FY2022. The decrease in cash outflow of RM3.3 million was mainly due to lower utilisation of cash for working capital in the current quarter under review.

During 4Q FY2023, the Group's net cash generated from investing activities was RM1.6 million as compared to RM44.8 million used in 4Q FY2022. Cash inflow in 4Q FY2023 mainly attributable to interest received as well as absence of payment for acquisition of equity interest in a subsidiary which was recorded in 4QFY2022.

**17. Review of performance of the Group (cont'd)**

**Consolidated Statement of Cashflow (cont'd)**

The net cash flows used in financing activities was RM4.1 million compared to RM2.2 million used in 4Q FY2022. The cash outflow was mainly due to dividends paid to the ordinary shareholders of RM7.9 million. The effect of net cash used in financing activities was partially offset by the proceeds from short term borrowings of RM4.0 million in current quarter.

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

Not applicable.

**19. 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**

Overall the Malaysian economy grew slower in the fourth quarter of 2022 at 7.0% as compared to 14.2% in the third quarter 2022 as support from the stimulus measures and low base effect waned. Nevertheless, all economic sectors registered growth in the fourth quarter of 2022. The services sector expanded by 8.9% (3Q 2022: 16.7%), supported by consumer-related subsectors amid better labour market conditions and the continued recovery in tourism activities. For 2023, the Malaysian economy is expected to expand at a more moderate pace amid a challenging external environment. Domestic demand will continue to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year Government led investment projects<sup>1</sup>. However, further escalation of geopolitical conflicts, worsening of supply chain disruptions, tighter financial conditions and a weaker global growth could dampen Malaysia's economic growth prospect.

Hence, the Group expects the business environment in which it operates to remain challenging. Barring any unforeseen circumstances, the Group is cautiously optimistic that its operations and financial performance will remain positive.

The Group will continue its efforts to enhance operational efficiency and effectiveness including stringent cost control measures whilst concurrently strategise, adapt and navigate through the ever changing business environment so as to ensure that its core businesses remain resilient.

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<sup>1</sup> Source from Bank Negara Malaysia – Economic and financial developments in Malaysia in fourth quarter of 2022

**20. Dividend**

- (a) **Current Financial Year 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.

**21. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended by the Board for 4Q FY2023 as the Company has paid an interim dividend of S\$0.002 per share on 10 February 2023.

**22. Interested Person Transactions**

| <b>Interested Persons</b> | <b>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))</b> | <b>Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S\$100,000)</b> |
|---------------------------|--|---|
|                           | <b>RM'000</b>  | <b>RM'000</b>   |
| Atlan Holdings Bhd        | 1,600  | - (Note 1)  |

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

### **23. 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.

**24. Changes in the composition of the Group**

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

**25. 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.

**26. A breakdown of revenue and profit after tax (before deducting non-controlling interests) for the continuing operations are as follows:**

|   | <b>Group</b> |         |                           |
|---|--------------|---------|---------------------------|
|   | FY2023       | FY2022  | % increase/<br>(decrease) |
|   | RM'000       | RM'000  | RM'000                    |
| (a) Revenue reported for first half year  | 59,129       | 45,588  | 29.7%                     |
| (b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year | 3,460        | (7,276) | >100%                     |
| (c) Revenue reported for second half year   | 92,668       | 53,537  | 73.1%                     |
| (d) Operating profit after tax before deducting non-controlling interests reported for second half year       | 11,960       | 1,299   | >100%                     |

**27. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

|                 | FY2023  | FY2023 | FY2022  | FY2022 |
|-----------------|---------|--------|---------|--------|
|                 | S\$'000 | RM'000 | S\$'000 | RM'000 |
| Ordinary Shares | 2,396   | 7,855  | –       | –      |

**28. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual:**

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(13) of the 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 28 February 2023 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

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General Tan Sri Dato' Seri Mohd  
Azumi bin Mohamed (Retired)  
Director

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Lee Sze Siang  
Director

Singapore  
26 April 2023