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

UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 28 FEBRUARY 2017

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

Part 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement

	Note	Group Fourth quarter ended 28/29 February 2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000	Increase/ (Decrease) %	Group Full year ended 28/29 February 2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000	Increase/ (Decrease) %
Revenue		150,023	161,970	-7.4%	632,588	604,508	4.6%
Changes in inventories		(36,354)	42,840	n.m	(95,492)	125,952	n.m
Inventories purchased and material consumed		(61,562)	(146,321)	-57.9%	(335,225)	(531,682)	-37.0%
Other operating income	1(a)(ii)	3,487	2,493	39.9%	22,211	10,798	105.7%
Employee benefits expenses		(9,153)	(8,743)	4.7%	(37,581)	(33,422)	12.4%
Rental of premises		(12,142)	(12,531)	-3.1%	(47,079)	(43,478)	8.3%
Utilities and maintenance expenses		(1,085)	(1,365)	-20.5%	(5,474)	(5,338)	2.5%
Depreciation and amortisation		(1,283)	(1,354)	-5.2%	(5,440)	(4,994)	8.9%
Commission expenses		(562)	(635)	-11.5%	(2,284)	(2,296)	-0.5%
Professional fees		(173)	(174)	-0.6%	(1,304)	(2,870)	-54.6%
Promotional expenses		(303)	(188)	61.2%	(1,354)	(1,217)	11.3%
Gain arising from changes in fair value of option		4,044	-	n.m	4,044	-	n.m
Financial expenses		(95)	(694)	-86.3%	(1,311)	(2,556)	-48.7%
Other operating expenses	1(a)(iii)	(9,762)	(6,604)	47.8%	(28,468)	(28,883)	-1.4%
Profit before income tax		25,080	28,694	-12.6%	97,831	84,522	15.7%
Income tax expenses	1(a)(iv)	(5,626)	(7,759)	-27.5%	(20,865)	(22,863)	-8.7%
Profit for the period		19,454	20,935	-7.1%	76,966	61,659	24.8%
Profit attributable to:							
Owners of the Company		17,819	20,947	-14.9%	72,734	61,740	17.8%
Non-controlling interests		1,635	(12)	n.m	4,232	(81)	n.m
		19,454	20,935	-7.1%	76,966	61,659	24.8%

n.m - denotes not meaningful

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1 (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Comprehensive Income

	Group Fourth quarter ended 28/29 February			Group Full year ended 28/29 February		
	2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000	Increase/ (Decrease) %	2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000	Increase/ (Decrease) %
Profit for the period	19,454	20,935	-7.1%	76,966	61,659	24.8%
Other comprehensive income:						
Foreign currency translation	-	-	-	-	-	-
Total comprehensive income for the period/year	19,454	20,935	-7.1%	76,966	61,659	24.8%
Total comprehensive income attributable to:						
Owners of the Company	17,819	20,947	-14.9%	72,734	61,740	17.8%
Non-controlling interests	1,635	(12)	n.m	4,232	(81)	n.m
	19,454	20,935	-7.1%	76,966	61,659	24.8%

n.m - denotes not meaningful

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1(a)(ii) Other operating income

Other operating income includes:-

	Group Fourth quarter ended 28/29 February			Group Full year ended 28/29 February		
	2017 (Unaudited) RM '000	2016 (Unaudited) RM '000	Increase/ (Decrease) %	2017 (Unaudited) RM '000	2016 (Unaudited) RM '000	Increase/ (Decrease) %
Rental income from:						
- advertisement space	1,299	976	33.1%	3,210	3,851	-16.6%
- property, plant and equipment	144	146	-1.4%	578	616	-6.2%
Commission income	311	24	1195.8%	607	196	209.7%
Incentive income	51	75	-32.0%	225	240	-6.3%
Interest income	1,841	1,059	73.8%	5,615	4,354	29.0%
Loss on disposal of property, plant and equipment	(7)	-	n.m	(7)	(6)	16.7%
Reversal of impairment losses for:						
- property, plant and equipment	-	(305)	-100.0%	-	302	-100.0%
- land use rights	-	(118)	-100.0%	-	-	0.0%
Reversal of allowance for doubtful receivables	-	268	-100.0%	-	268	-100.0%
Net foreign exchange gain/(loss)	(1,531)	-	n.m	9,892	-	n.m

1(a)(iii) Other operating expenses

Other operating expenses is arrived at after charging/(crediting) the following:-

	Group Fourth quarter ended 28/29 February			Group Full year ended 28/29 February		
	2017 (Unaudited) RM '000	2016 (Unaudited) RM '000	Increase/ (Decrease) %	2017 (Unaudited) RM '000	2016 (Unaudited) RM '000	Increase/ (Decrease) %
Assessment and quit rent	311	325	-4.3%	1,033	1,054	-2.0%
Allowance for doubtful receivables	11	225	-95.1%	11	225	-95.1%
Auditors' remuneration	198	208	-4.8%	1,240	947	30.9%
Bad debts written off	-	-	0.0%	-	8	-100.0%
Bank charges	142	385	-63.1%	1,575	1,478	6.6%
Donations	1,012	1,013	-0.1%	2,133	1,561	36.6%
Insurance	528	657	-19.6%	2,219	1,950	13.8%
Inventory written down	1,490	450	231.1%	1,850	450	311.1%
Inventory written off	27	200	-86.5%	88	256	-65.6%
Management fee	1,043	500	108.6%	3,185	2,000	59.3%
Net foreign exchange loss	-	360	-100.0%	-	7,039	-100.0%
Packing materials	232	358	-35.2%	887	950	-6.6%
Property, plant and equipment written off	2	2	0.0%	38	81	-53.1%
Transportation costs	374	(11)	-3500.0%	4,204	3,891	8.0%
Travelling expenses	331	244	35.7%	1,165	892	30.6%
Reversal of inventories written down	(6)	(725)	-99.2%	(250)	(927)	-73.0%

n.m - denotes not meaningful

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1(a)(iv) Income tax expenses

	Group Fourth quarter ended 28/29 February			Group Full year ended 28/29 February		
	2017 (Unaudited) RM '000	2016 (Unaudited) RM '000	Increase/ (Decrease) %	2017 (Unaudited) RM '000	2016 (Unaudited) RM '000	Increase/ (Decrease) %
Current income tax attributable to continuing operations						
- current income tax	6,238	7,832	-20.4%	22,833	24,144	-5.4%
- over provision in respect of previous years	-	-	0.0%	(1,601)	(992)	61.4%
	6,238	7,832	-20.4%	21,232	23,152	-8.3%
Deferred income tax attributable to continuing operations	(612)	(73)	738.4%	(367)	(289)	27.0%
Income tax expense recognised in profit or loss	5,626	7,759	-27.5%	20,865	22,863	-8.7%

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1(b)(i) A statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year

		Group			Company	
			Restated	Restated		
	Note	28.02.2017 (Unaudited) RM '000	29.02.2016 (Unaudited) RM '000	01.03.2015 (Unaudited) RM '000	28.02.2017 (Unaudited) RM '000	29.02.2016 (Audited) RM '000
Assets						
Non-current assets						
Property, plant and equipment		74,379	74,738	73,070	-	-
Land use rights		23,814	24,279	24,744	-	-
Goodwill		28,816	28,816	28,816	-	-
Investment in subsidiaries		-	-	-	895,187	969,242
Prepayments		49,270	59,050	68,831	-	-
Deferred tax assets		853	948	608	-	-
		177,132	187,831	196,069	895,187	969,242
Current assets						
Biological assets	1(b)(iv)	187	182	99	-	-
Inventories		199,987	297,167	170,994	-	-
Tax recoverable		3,641	1,721	1,288	-	-
Trade and other receivables	1(b)(v)	56,698	63,860	64,022	36,148	3,732
Prepayments		11,705	11,612	11,572	12	67
Cash and bank balances		272,194	49,279	76,055	187,954	136
Derivative assets		-	-	168	-	-
		544,412	423,821	324,198	224,114	3,935
Total assets		721,544	611,652	520,267	1,119,301	973,177
Equity and liabilities						
Current liabilities						
Trade and other payables	1(b)(vii)	144,848	144,593	74,943	48,904	22,047
Borrowings	1(b)(ii) & (iii)	5,977	38,958	31,684	-	-
Income tax payable		3,954	7,212	2,870	61	13
Derivative liabilities		9,003	1,632	-	8,993	-
		163,782	192,395	109,497	57,958	22,060
Net current assets/(liabilities)		380,630	231,426	214,701	166,156	(18,125)
Non-current liabilities						
Borrowings	1(b)(ii)	1,097	12,811	16,749	-	-
Deferred tax liabilities		4,368	4,639	4,588	-	-
		5,465	17,450	21,337	-	-
Total liabilities		169,247	209,845	130,834	57,958	22,060
Net assets		552,297	401,807	389,433	1,061,343	951,117
Equity attributable to owners of the Company						
Share capital		576,941	489,118	489,109	1,067,763	979,940
Treasury shares		(532)	(4,838)	(4,838)	(532)	(4,838)
Other reserves		(110,674)	(111,335)	(111,335)	31,710	31,049
Retained earnings/(accumulated losses)		70,345	28,776	16,330	(37,598)	(55,034)
		536,080	401,721	389,266	1,061,343	951,117
Non-controlling interests		16,217	86	167	-	-
Total equity		552,297	401,807	389,433	1,061,343	951,117
Total equity and liabilities		721,544	611,652	520,267	1,119,301	973,177

1(b)(ii) Aggregate amount of the group's borrowings and debts securities

	28.02.2017		29.02.2016	
	Secured RM '000	Unsecured RM '000	Secured RM '000	Unsecured RM '000
Amount repayable in one year or less or on demand	5,977	-	38,958	-
Amount repayable after one year	1,097	-	12,811	-

Details of any collateral

The borrowings are secured by way of:
- deposits with licensed banks amounting to RM10,678,000 (29.02.2016: RM10,461,000); and
- corporate guarantees from the Company and the penultimate holding company.

1(b)(iii) Short term borrowings

	28.02.2017 RM'000	29.02.2016 RM'000
The Group's short term borrowings are for:		
- trade facilities	5,540	34,577
- hire purchases	437	350
- other borrowings	-	4,031
	5,977	38,958

1(b)(iv) Biological assets

	28.02.2017 RM'000	Restated 29.02.2016 RM'000
At fair value:		
Balance b/f	182	99
Fair value changes	5	83
Balance c/f	187	182

The Group adopted the Amendments to FRS 16 and FRS 41 on 1 March 2016, which changed the accounting requirements for biological assets. Bearer plants will now be within the scope of FRS 16 Property, Plant and Equipment whereas agricultural produce growing on bearer plants (e.g., fruit growing on a tree) will remain within the scope of FRS 41 Agriculture.

1(b)(v) Trade and other receivables

	28.02.2017 RM'000	29.02.2016 RM'000
Trade receivables, net	6,522	10,510
Deposits	3,539	3,427
Sundry receivables, net:		
- amount due from Berjaya Waterfront Sdn Bhd (refer to page 8 of this report)	40,434	40,444
- others	6,203	9,479
	56,698	63,860

Please refer to Paragraph 8 under the caption of "Statement of Financial Position - Assets" for further details.

1(b)(v) Trade and other receivables (cont'd)

On 10 April 2012, the Company's subsidiaries entered into the following sale and purchase agreements with Berjaya Waterfront Sdn Bhd ("BWSB"), a subsidiary of Berjaya Assets Berhad, a corporation listed on the Bursa Malaysia Securities Berhad:

i) The sale of Darul Metro Sdn Bhd's ("DMSB") legal and beneficial interests over the remaining lease period in six land parcels located in The Zon Johor Bahru at Stulang Laut, Johor Bahru (the "Duty Free Zone") to BWSB for a consideration of RM325,000,000 ("DMSB Agreement"); and

ii) The sale of Kelana Megah Sdn Bhd's intended lease interests in the land parcel bearing lot number PTB 20379 to BWSB for a consideration of RM27,990,000 ("KMSB Agreement"),

(collectively, the "Disposals").

The DMSB Agreement was completed on 15 March 2013 ("DMSB Completion Date"). Pursuant to the terms of the DMSB Agreement, RM80.0 million being the balance of the aggregate sale consideration of RM325.0 million, was deferred and payable by BWSB within 12 months from the DMSB Completion Date, together with interest charged at 6% per annum from the DMSB Completion Date. There have been several extensions mutually agreed by the parties since the initial due date. After partial repayments of the consideration, the outstanding balance as at 28 February 2017 was RM40.0 million. Throughout the term that the balance was outstanding, BWSB has been paying interest at 6% per annum up to 15 July 2015 and 9% per annum from 16 July 2015 onwards.

On 15 April 2017, BWSB requested for a further deferment of the unpaid consideration of RM40.0 million to be paid on or before 15 April 2018 and that BWSB continue to pay interest at 9% per annum on the unpaid consideration on a quarterly basis. The Company had agreed to the request of BWSB.

For the KMSB Agreement, the conditions precedent as stipulated have not been fulfilled as at the date of this announcement. The Company will continue to keep its shareholders informed of any developments in due course.

1(b)(vii) Trade and other payables

	Group	
	28.02.2017	**29.02.2016**
	RM'000	**RM'000**
Trade payables	69,373	123,633
Other payables	24,203	20,400
Dividends payable to ordinary shareholders by the Company	46,995	-
Dividends payable to non-controlling interests by a subsidiary	3,717	-
Deposit received for the KMSB Agreement	560	560
	144,848	144,593

	Company	
	28.02.2017	**29.02.2016**
	RM'000	**RM'000**
Dividends payable to ordinary shareholders	46,995	-
Sundry payables, net:		
- amount due to related company	-	20,301
- others	1,909	1,746
	48,904	22,047

Please refer to Paragraph 8 under the caption of "Statement of Financial Position - Liabilities" for further details.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Fourth quarter ended 28/29 February		Group Full year ended 28/29 February	
	2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000	2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	25,080	28,694	97,831	84,522
Adjustments for:-				
Allowance for doubtful receivables	11	225	11	225
Bad debts written off	-	-	-	8
Depreciation and amortisation	1,283	1,354	5,440	4,994
Deposit forfeited	-	(1)	-	(1)
Loss on disposal of property, plant and equipment	7	-	7	6
(Gain)/loss arising from changes in fair values of biological assets	(84)	25	(5)	(83)
Gain arising from changes in fair value of option	(4,044)	-	(4,044)	-
Finance cost	95	694	1,311	2,556
Interest income	(1,841)	(1,059)	(5,615)	(4,354)
Inventory written down	1,490	450	1,850	450
Inventory written off	27	200	88	256
Property, plant and equipment written off	2	2	38	81
Reversal of inventories written down	(6)	(725)	(250)	(927)
(Reversal)/provision of impairment losses for property, plant and equipment	-	305	-	(302)
(Reversal)/provision of impairment losses for land use rights	-	118	-	-
Reversal of allowance for doubtful receivables	-	(268)	-	(268)
(Reversal)/provision of short term accumulating compensated absences	(20)	21	(20)	21
Net unrealised foreign exchange (gain)/loss	(433)	(1,480)	(7,154)	367
Operating cash flows before changes in working capital	21,567	28,555	89,488	87,551
Decrease/(increase) in receivables	917	(2,352)	7,082	(7,236)
Decrease in prepayments	2,627	3,057	9,687	9,740
Decrease/(increase) in inventories	14,528	(42,839)	95,492	(125,951)
Increase/(decrease) in payables	7,401	32,072	(51,022)	69,879
Cash generated from operations	47,040	18,493	150,727	33,983
Tax paid	(8,832)	(7,118)	(26,219)	(19,244)
Interest paid	(96)	(724)	(1,343)	(2,546)
Net cash generated from operating activities	38,112	10,651	123,165	12,193
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,860	1,069	5,625	4,254
Proceeds from the Disposals	-	-	-	7,500
Proceeds from disposal of property, plant and equipment	4	-	4	155
Purchase of property, plant and equipment and land use rights	(682)	(1,536)	(3,869)	(5,437)
Net cash generated from/(used in) investing activities	1,182	(467)	1,760	6,472

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Group Fourth quarter ended 28/29 February		Group Full year ended 28/29 February	
	2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000	2017 (Unaudited) RM '000	Restated 2016 (Unaudited) RM '000
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in pledged fixed deposits	(44)	(5)	(217)	(245)
Repayment of term loans	-	(1,000)	(16,000)	(7,645)
(Repayment)/proceeds from other short term borrowings	(6,562)	15,624	(29,104)	12,159
Repayment of hire purchase and lease financing	(119)	(273)	(422)	(679)
Proceeds from issuance of new ordinary shares	-	-	87,823	-
Proceeds from disposal of equity shares of subsidiary to non-controlling interests and issuance of options	-	-	87,711	-
Proceeds from placement of treasury shares	-	-	4,967	-
Proceeds from exercise of warrants	-	9	-	9
Dividends paid to the ordinary shareholders of the Company	-	-	(43,228)	(49,294)
Net cash (used in)/generated from financing activities	(6,725)	14,355	91,530	(45,695)
Net increase/(decrease) in cash and cash equivalents	32,569	24,539	216,455	(27,030)
Effects of foreign exchange rate changes	(1,333)	(10)	6,243	9
Cash and cash equivalents at beginning of period/year	230,280	14,289	38,818	65,839
Cash and cash equivalents at end of period/year	261,516	38,818	261,516	38,818
Cash and cash equivalents carried forward consists of :-				
Deposits with licenced banks	180,835	25,386	180,835	25,386
Less : Pledged deposits	(10,678)	(10,461)	(10,678)	(10,461)
	170,157	14,925	170,157	14,925
Cash and bank balances	91,359	23,893	91,359	23,893
Bank overdrafts	-	-	-	-
	261,516	38,818	261,516	38,818

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1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	ATTRIBUTABLE TO OWNERS OF THE PARENT								NON-CONTROLLING INTERESTS	TOTAL EQUITY
			Non-distributable				Distributable			
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign exchange reserve RM'000	Net premium paid/ received on transactions with non-controlling interests RM'000	Others reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
GROUP										
At 1 March 2015	489,109	(4,838)	(111,335)	29	(142,413)	31,049	18,611	391,547	167	391,714
Adoption of Amendments to FRS16 and FRS 41	-	-	-	-	-	-	(2,281)	(2,281)	-	(2,281)
At 1 March 2015 (restated)	489,109	(4,838)	(111,335)	29	(142,413)	31,049	16,330	389,266	167	389,433
Profit, net of tax	-	-	-	-	-	-	61,740	61,740	(81)	61,659
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	61,740	61,740	(81)	61,659
Transactions with owners:										
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Exercise of warrants	9	-	-	-	-	-	-	9	-	9
Dividend on ordinary shares	-	-	-	-	-	-	(49,294)	(49,294)	-	(49,294)
Dividend payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	9	-	-	-	-	-	(49,294)	(49,285)	-	(49,285)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-
At 29 February 2016 (restated)	489,118	(4,838)	(111,335)	29	(142,413)	31,049	28,776	401,721	86	401,807

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1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	ATTRIBUTABLE TO OWNERS OF THE PARENT								NON-CONTROLLING INTERESTS	TOTAL EQUITY
				Non-distributable			Distributable			
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign exchange reserve RM'000	Net premium paid/ received on transactions with non-controlling interests RM'000	Others reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
GROUP (Cont'd)										
At 1 March 2016	489,118	(4,838)	(111,335)	29	(142,413)	31,049	31,387	404,332	86	404,418
Adoption of Amendments to FRS16 and FRS 41	-	-	-	-	-	-	(2,611)	(2,611)	-	(2,611)
At 1 March 2016 (restated)	489,118	(4,838)	(111,335)	29	(142,413)	31,049	28,776	401,721	86	401,807
Profit, net of tax	-	-	-	-	-	-	72,734	72,734	4,232	76,966
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	72,734	72,734	4,232	76,966
Transactions with owners:										
Placement of treasury shares	-	4,306	793	-	-	793	-	5,099	-	5,099
Allotment of new ordinary shares	90,659	-	-	-	-	-	-	90,659	-	90,659
Share issuance expenses	(2,836)	-	(132)	-	-	(132)	-	(2,968)		(2,968)
Dividend on ordinary shares	-	-	-	-	-	-	(90,222)	(90,222)	-	(90,222)
Dividend payable to non-controlling interests	-	-	-	-	-	-	-	-	(3,717)	(3,717)
Total transactions with owners	87,823	4,306	661	-	-	661	(90,222)	2,568	(3,717)	(1,149)
Transactions with non-controlling interests:										
Disposal of equity shares of subsidiary to non-controlling interests *	-	-	-	-	-	-	59,057	59,057	15,616	74,673
At 28 February 2017	576,941	(532)	(110,674)	29	(142,413)	31,710	70,345	536,080	16,217	552,297

* Disposal consideration is net of transaction costs of RM2,514,000 and the fair value at initial recognition of RM13,038,000 attributed to call options issued. These options give the buyer a right to purchase a maximum of 15% additional equity interest in a subsidiary within 30 months from the completion date.

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

1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Ordinary shares RM'000	Treasury shares RM'000	Others reserve RM'000	Accumulated losses RM'000	Total equity RM'000
COMPANY (Cont'd)					
At 1 March 2015	979,931	(4,838)	31,049	(58,986)	947,156
Profit, net of tax	-	-	-	53,246	53,246
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	53,246	53,246
Transactions with owners:					
Exercise of warrant	9	-	-	-	9
Dividend	-	-	-	(49,294)	(49,294)
	9	-	-	(49,294)	(49,285)
At 29 February 2016	979,940	(4,838)	31,049	(55,034)	951,117

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

1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Ordinary shares RM'000	Treasury shares RM'000	Others reserve RM'000	Accumulated losses RM'000	Total equity RM'000
COMPANY (Cont'd)					
At 1 March 2016	979,940	(4,838)	31,049	(55,034)	951,117
Profit, net of tax	-	-	-	107,658	107,658
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	107,658	107,658
Transactions with owners:					
Placement of treasury shares	-	4,306	793	-	5,099
Allotment of new ordinary shares	90,659	-	-	-	90,659
Share issuance expenses	(2,836)	-	(132)	-	(2,968)
Dividend	-	-	-	(90,222)	(90,222)
	87,823	4,306	661	(90,222)	2,568
At 28 February 2017	1,067,763	(532)	31,710	(37,598)	1,061,343

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all outstanding convertibles as well as the number of shares held as treasury shares if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital – Ordinary Shares	Company	
	Number of Shares '000	**Share Capital RM'000**
As at 30 November 2016 and 28 February 2017	1,194,350	1,067,763

Outstanding Convertible Securities	Company	
	As at 28 February 2017	**As at 29 February 2016**
Number of outstanding convertible securities ('000)	-	-
Number of ordinary shares upon conversion of convertibles ('000)	-	-
Total number of ordinary shares issued excluding treasury shares ('000)	1,194,350	1,099,850
As a percentage of total ordinary shares issued (%)	-	-

Total treasury shares as at 28 February 2017 was 698,000 (28 February 2016: 6,198,000).

On 13 February 2017, an announcement was made by the Company in relation to the issuance of an aggregate of 18,500,000 new ordinary shares in the capital of the Company (the **"Subscription Shares 1"**) at an issue price of S$0.38 for each Subscription Share (the "**Subscription 1**"), representing approximately 1.55% of the total number of issued ordinary shares of the Company.

On 24 February 2017, an announcement was made by the Company in relation to the issuance of an aggregate of 15,650,000 ordinary shares in the capital of the Company (the **"Subscription Shares 2"**) at an issue price of S$0.38 for each Subscription Share (the "**Subscription 2**"), representing approximately 1.31% of the total number of issued ordinary shares of the Company as at the date of the announcement.

Further to the Company's announcement on 16 March 2017 in relation to the Approval In-Principle, the total 34,150,000 Subscription Shares 1 and Subscription Shares 2 were issued and allotted to the Subscribers pursuant to the Subscription 1 and Subscription 2 on 23 March 2017. These Subscription Shares were subsequently listed and quoted on the Mainboard on 24 March 2017.

On 12 January 2017 and 24 March 2017, the company made announcements in relation to the Proposed Bonus Warrant Issue, on the basis of two (2) Bonus Warrants for every five (5) existing ordinary shares in the capital of the Company held by Shareholders as at the book closure date to be determined by the Directors. On 5 April 2017, the Company had obtained the approval-in principle from Singapore Exchange Securities Trading Limited ("SGX-ST") for the Proposed Bonus Warrants Issue and the listing of and quotation for up to 491,400,157 Bonus Warrants and up to 491,400,157 New Shares on the Official List of the Main Board of the SGX-ST subject to the certain conditions. An Extraordinary General Meeting will be convened on 28 April 2017 to seek the approval of Shareholders for the abovementioned Proposed Bonus Warrant Issue.

Please refer to the Company's announcement dated 5 April 2017 on SGX-ST website for further information on the Bonus issue/Capitalisation issue.

As at the date of this announcement, the Company's issued and paid-up share capital comprises 1,228,500,393 ordinary shares, excluding treasury shares. The Company's treasury shares as at the date of this announcement is 698,000.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as the end of the immediately preceding year

Total number of issued shares excluding treasury shares as at 28 February 2017 was 1,194,350,393 (29 February 2016: 1,099,850,393). Total treasury shares as at 28 February 2017 was 698,000 (29 February 2016: 6,198,000).

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

During the full year ended 28 February 2017 ("FY2017"), a total of 5,500,000 treasury shares were placed out at a placement price of S$0.32. Subsequent to the completion of the placement, total treasury shares was reduced from 6,198,000 as at 29 February 2016 to 698,000 as at 28 February 2017.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard practice

These figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation for the current reporting period, compared with the last audited financial statements as at 29 February 2016.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the changes

On 1 March 2016, the Group and the Company adopted the new or amended Singapore Financial Reporting Standards ("FRSs") and Interpretations to FRS ("INT FRSs") that are mandatory for application from that date.

Except for the adoption of the amendments to FRS 16 and FRS 41, the application of these new or amended FRSs 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.

The impact of adoption of amendments to FRS 16 and FRS 41 is summarized below:

Statement of Financial Position

	As at 29 February 2016		**As at 1 March 2015**	
	As previously stated (RM'000)	**As restated (RM'000)**	**As previously stated (RM'000)**	**As restated (RM'000)**
Property, plant & equipment	72,431	74,738	70,650	73,070
Biological assets (non-current)	5,100	-	4,800	-
Biological assets (current)	-	182	-	99
Retained earnings	31,387	28,776	18,611	16,330

Consolidated Income Statement

	4th Quarter ended 29 February 2016		Full year ended 29 February 2016	
	As previously stated (RM'000)	As restated (RM'000)	As previously stated (RM'000)	As restated (RM'000)
Gain/(loss) arising from changes in fair values of biological assets	300	(25)	300	83
Depreciation & amortisation	1,326	1,354	4,881	4,994

6 Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group Fourth quarter ended 28/29 February		Group Full year ended 28/29 February	
	2017 RM'000	Restated 2016 RM'000	2017 RM'000	Restated 2016 RM'000
Profit for the period, net of tax attributable to owners of the Company	17,819	20,947	72,734	61,740
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,194,350	1,105,368	1,167,064	1,099,845
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,194,350	1,105,368	1,167,064	1,099,845
Earnings per ordinary share from continuing operations attributable to owners of the Company (RM sen):				
(a) Basic	1.49	1.90	6.23	5.61
(b) Fully diluted	1.49	1.90	6.23	5.61

For 4Q FY2017, 4Q FY2016, FY2017 and FY2016, as there were no potential dilutive ordinary shares, earnings per share on a fully diluted basis is the same as basic earnings per share based on weighted average number of shares in issue.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year

	Group		Company	
		Restated		
	As at 28 February 2017	As at 29 February 2016	As at 28 February 2017	As at 29 February 2016
Net asset value per ordinary share (RM sen)	44.88	36.53	88.86	86.48
Number of shares used in calculating net asset value per share ('000)	1,194,350	1,099,850	1,194,350	1,099,850

8 A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings for the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on

Statement of Comprehensive Income

Fourth quarter ended 28 February 2017 ("4Q FY2017") vs Fourth quarter ended 29 February 2016 ("4Q FY2016")

Revenue

The Group recorded a revenue of RM150.0 million in 4Q FY2017, representing a decrease of 7.4% or RM12.0 million, over the revenue of RM162.0 million in 4Q FY2016. The drop was largely due to the effects of slowdown of tourism traffic to and from Thailand following the flood situation at Southern Thailand in 4Q FY2017 as well as the after effects of the demise of King Bhumibol in October 2016, and the imposition of Goods and Services Tax at the border outlets and duty free zones with effect from 1 January 2017.

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 reported on. In 4Q FY2017, the value of the closing inventories was lower than the value of the opening inventories by RM36.4 million. In 4Q FY2016, the value of the closing inventories was higher by RM42.8 million. This resulted in a variance of RM79.2 million for 4Q FY2017 vis-à-vis 4Q FY2016, which was mainly due to timing differences in purchases and consumption of inventories in the respective quarters.

Inventories purchased and material consumed

Inventories purchased and material consumed decreased by 57.9% or RM84.7 million, from RM146.3 million in 4Q FY2016 to RM61.6 million in 4Q FY2017. This was mainly due to lower purchases as compared with the corresponding quarter of the previous financial year.

Other operating income

Other operating income increased by RM1.0 million from RM2.5 million in 4Q FY2016 to RM3.5 million in 4Q FY2017. The increase was mainly due to an increase in interest income of RM0.7 million, rental income of RM0.3 million and commission income of RM0.3 million. The increase was also due to the absence of impairment loss of property, plant and equipment as well as leasehold land of RM0.4 million which was recorded in 4Q FY2016. However, the increase was partially offset by net foreign exchange loss of RM1.5 million arising from the Singapore Dollar and US dollar deposit placement.

Gain arising from changes in fair value of option

Gain arising from changes in fair value of option was RM4.0 million in 4Q FY2017. The fair value was in relation to the call option issued which gives Heinemann Asia Pacific Pte Ltd the option to acquire a maximum of 15% additional equity interest in DFZ Capital Berhad, a subsidiary of the Company..

Other operating expenses

Other operating expenses in 4Q FY2017 increased by 47.8% or RM3.2 million, from RM6.6 million in 4Q FY2016 to RM9.8 million in 4Q FY2017. This was mainly attributable to the increases in inventories written down of RM1.0 million and management fee of RM0.5 million, coupled with lower reversal of inventories written down of RM0.7 million. However the increase in expenses was partly offset by absence of net loss in foreign exchange of RM0.4 million as well as decrease in inventory written off of RM0.2 million as compared to 4Q FY2016.

The rest of the expenses on the Group's profit and loss account remained largely unchanged in 4Q FY2017 as compared to 4Q FY2016.

Profit before income tax

The Group reported a profit before income tax of RM25.1 million for 4Q FY2017, which was 12.6% or RM3.6 million lower than the profit before income tax of RM28.7 million recorded in 4Q FY2016. The decrease was mainly due to a decrease in revenue as mentioned above, coupled with an increase in inventories written down of RM1.0 million, increase in management fee of RM0.5 million and lower reversal of inventories written down of RM0.7 million in the current quarter.

Income tax expenses

The Malaysia statutory income tax rate is 24% for year of assessment 2017 (2016: 24%). The provision for taxation for the financial year to-date was calculated based on the taxable profit attributable from certain profit making subsidiaries. The income tax expenses in 4Q FY2017 of RM5.6 million mainly comprised provision for taxation for current year to date profits. The effective tax rate of the Group for 4Q FY2017 at 22.4% was slightly lower than the statutory rate, principally due to higher non-taxable income for the period.

Full year ended 28 February 2017 ("FY2017") vs Full year ended 29 February 2016 (" FY2016")

The Group reported a profit before income tax of RM97.8 million for FY2017, representing an increase of 15.7% or RM13.3 million as compared to RM84.5 million recorded in FY2016. The increase was mainly due to overall increase in revenue, coupled with increase in net foreign exchange gain of RM9.9 million as compared to RM7.0 million net foreign exchange loss in FY2016. The increase was also due to recognition of gain arising from changes in fair value of option amounting to RM4.0 million as well as lower professional fees incurred by RM1.6 million as compared to FY2016. The favorable impact of the above was partially offset by higher rental expenses and higher employee benefits expenses for the period under review.

Statement of Financial Position

Assets

Non-current prepayments

Non-current prepayments decreased by RM9.8 million, from RM59.1 million as at 29 February 2016 to RM49.3 million as at 28 February 2017 which were mainly related to rental paid in advance for the Group's retail outlets.

Trade and other receivables

Trade receivables reduced by RM4.0 million, from RM10.5 million as at 29 February 2016 to RM6.5 million as at 28 February 2017, which was mainly due to timing differences in trade-related collections. In addition, sundry receivables also decreased by RM3.3 million, from RM9.5 million as at 29 February 2016 to RM6.2 million as at 28 February 2017.

Inventories

Inventories decreased by RM97.2 million, from RM297.2 million as at 29 February 2016 to RM200.0 million as at 28 February 2017, mainly due to an increase in sales volume coupled with a decrease of overall purchases during the period.

Other than Cash and Bank balances which increased by RM222.9 million from RM49.3 million to RM272.2 million, the rest of the asset items on the Group's statement of financial position remained largely unchanged as at 28 February 2017 vis-à-vis 29 February 2016.

Liabilities

Trade and other payables
The decrease in trade and other payables was mainly due to a decrease in trade payables by RM54.2 million, from RM123.6 million as at 29 February 2016 to RM69.4 million as at 28 February 2017. The aforesaid decrease was due to lower purchases during the period and also timing differences in the settlement of payables. However, the decrease were partially offset by increase in other payables by RM3.8 million, from RM20.4 million as at 29 February 2016 to RM24.2 million as at 28 February 2017 as well as dividend payable to ordinary shareholders by the Company of RM47.0 million and dividend payable to non-controlling interests by a subsidiary amounting to RM3.7 million in FY2017.

Derivative financial liabilities
Derivative financial liabilities of RM9.0 million as at 28 February 2017 was mainly in relation to the fair value of call options issued which gives Heinemann Asia Pacific Pte Ltd ("HAP") the option to acquire a maximum of 15% additional equity interest in DFZ Capital Berhad ("DFZ"), a subsidiary of the Company.

Borrowings
Total borrowings decreased by RM44.7 million, from RM51.8 million as at 29 February 2016 to RM7.1 million as at 28 February 2017, mainly due to repayment of term loan amounting to RM16.0 million, as well as a reduction in trade facilities utilisation of RM29.1 million.

As at 28 February 2017, the Group was in a positive working capital position of RM380.6 million.

Equity
Total equity increased by RM150.5 million, from RM401.8 million as at 29 February 2016 to RM552.3 million as at 28 February 2017, mainly due to profit for the period of RM72.7 million, gain on disposal of 10% equity interest plus 1 share in DFZ to HAP amounting to RM59.1 million, a net increase in share capital of RM87.8 million pursuant to the issuance of new ordinary shares and a decrease in treasury shares of RM4.3 million, a decrease in the negative other reserves amounting to RM0.7 million and an increase in non-controlling interests of RM16.1 million, partially offset by dividends paid or payable of RM90.2 million.

Statement of Cash Flows

The Group generated operating cash flow of RM38.1 million for 4Q FY2017 and RM123.2 million for FY2017. Net cash generated from investing activities was RM1.2 million for 4Q FY2017, mainly arising from interest received of RM1.9 million and partially offset by purchase of plant and equipment amounting to RM0.7 million. Net cash used in financing activities for 4Q FY2017 was mainly due to repayment of short term borrowings of RM6.6 million. Overall, the cash and cash equivalents of the Group increased by RM32.6 million for 4Q FY2017 and by RM216.5 million for FY2017, ending the period with cash and cash equivalents of RM261.5 million.

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

Not applicable.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and for the next 12 months

With the fluctuation in foreign currencies, especially the US Dollar against Ringgit Malaysia coupled with the rise of inflationary cost and weak consumers' purchasing sentiment, the business environment in which the Group operates is expected to remain challenging and competitive. The Group will continue to review its current strategies to enhance its operational efficiency, together with close monitoring of the key cost drivers, in order to remain competitive and profitable in the next twelve months.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended by the Board for 4Q FY2017.

13 Interested Person Transactions

Interested Persons	Aggregate value of interested person transactions entered into during the financial period under review (excluding transactions below S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a))	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S$100,000)
	RM'000	**RM'000**
Atlan Holdings Bhd	2,000	- (Note 1)

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

14 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.

As at the date of this announcement, the Company has not utilised any of the net proceeds of S$43.6 million from the abovementioned placement exercises. The Company will make periodic announcements as and when the net proceeds from the placement exercises is materially disbursed.

15 Significant related party transactions

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

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

	Group Fourth quarter ended 28/29 February		Group Full year ended 28/29 February	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Related company:				
- Management fee	500	500	2,000	2,000
Related parties:				
- Donation to Yayasan Harmoni	1,000	1,000	2,000	1,500
- Purchases from Heinemann Asia Pacific Pte. Ltd. ("HAP")	57,355	-	122,008	-
- Management fee paid/payable to HAP	543	-	1,185	-
- Ad-space rental received/receivable from HAP	1,173	-	1,173	-
- Reimbursement of costs from HAP	1,581	-	1,583	-

16 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.

PART 2 ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

17 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year

	Trading of duty free goods and non-dutiable merchandise RM'000	Investment holdings and others RM'000	Adjustments and eliminations RM'000	Group total RM'000
FY2017				
Revenue				
Sales to external customers	631,016	1,572	-	632,588
Inter-segment sales	3	97,083	(97,086)	-
Total revenue	631,019	98,655	(97,086)	632,588
Segment results	85,152	111,071	(97,081)	99,142
Finance costs				(1,311)
				97,831
Income tax expense				(20,865)
Profit for the year				76,966
Restated FY2016				
Revenue				
Sales to external customers	602,930	1,578	-	604,508
Inter-segment sales	2	55,016	(55,018)	-
Total revenue	602,932	56,594	(55,018)	604,508
Segment results	89,821	52,242	(54,985)	87,078
Finance costs				(2,556)
				84,522
Income tax expense				(22,863)
Profit for the year				61,659

18 In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Kindly refer to Paragraphs 8 and 17 above.

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

		Group		
		FY2017 RM'000	Restated FY2016 RM'000	% increase/ (decrease) RM'000
(a)	Revenue reported for first half year	349,587	289,644	20.7%
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	35,253	23,976	47.0%
(c)	Revenue reported for second half year	283,001	314,864	(10.1%)
(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	41,713	37,683	10.7%

20 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2017 S$'000	FY2017 RM'000	FY2016 S$'000	FY2016 RM'000
Ordinary Shares	29,234	90,222	17,597	49,294

21 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.

BY ORDER OF THE BOARD

Lee Sze Siang
Executive Director
26 April 2017